

**BUDGETING,  
ACCOUNTING  
AND REPORTING  
SYSTEM (BARS)**

*For*

**Library Districts**



Washington  
***State Auditor***  
Brian Sonntag

For BARS technical assistance contact the State Auditor's Office, Technical Services at (360) 753-4792. You may access this document electronically via our web page: <http://www.sao.wa.gov>.



## TABLE OF CONTENTS

### PART ONE

### CHART OF ACCOUNTS

### YELLOW TAB

Chapter 1	Design and Prescription
Chapter 2	Resource Accounts
Chapter 3	Expenditure Use Accounts

### PART TWO

### ACCOUNTING

### WHITE TAB

Chapter 1	Internal Control
Chapter 2	Electronic Funds Transfer
Chapter 3	Cash Receipting
Chapter 4	Travel (Chapter 42.24 RCW)
Chapter 5	Petty Cash
Chapter 6	Voucher Certification and Approval
Chapter 7	Grant Accounting
Chapter 8	Inventories and Fixed Assets

### PART THREE

### REPORTING

### RED TAB

Chapter 1	Reporting Requirements
Chapter 2	Financial Statements and Schedules
Chapter 3	Notes to Financial Statements

## TABLE OF CONTENTS

PART ONE	CHART OF ACCOUNTS	<u>PAGE</u>
Chapter 1	Design And Prescription Account Code Structure.....	2
Chapter 2	Resource Accounts Account Definitions .....	3
Chapter 3	Expenditure/Use Accounts Accounts Definitions..... Classification Of Expenditure By Object.....	2 5

**Part 1.        Chart of Accounts**  
**Chapter 1.   Design and Prescription**

The chart of resource and expenditure/use accounts and the procedures contained in this manual must be used by all library districts as prescribed by the State Auditor's Office (RCW 43.09.200).

The uniform system of accounts is best applied consistently throughout the budgeting, accounting, and reporting cycles. However, it is permissible to use a different system of numbers for internal accounting, so long as equivalent detail is maintained for reporting purposes. The prescribed chart of accounts must be used for detail reporting of revenues and expenditures.

All library districts may follow single-entry accounting and cash-basis reporting procedures which do not reflect financial condition and results of operations in conformity with generally accepted accounting principles (GAAP).<sup>1</sup> This manual is intended for those districts following single-entry accounting and cash-basis reporting.

Those library districts following double entry and GAAP basis reporting should refer to the BARS Category 1 Manual for Cities and Counties and Other Local Governments for GAAP reporting guidance. **However, all library districts must use the prescribed chart of accounts contained in this BARS for Library Districts Manual for detail reporting of revenues and expenditures.**

BARS manuals may be obtained through the State Auditor's Office, Technical Services at (360) 753-4792. BARS manuals are also available electronically via the web page: <http://www.sao.wa.gov>.

---

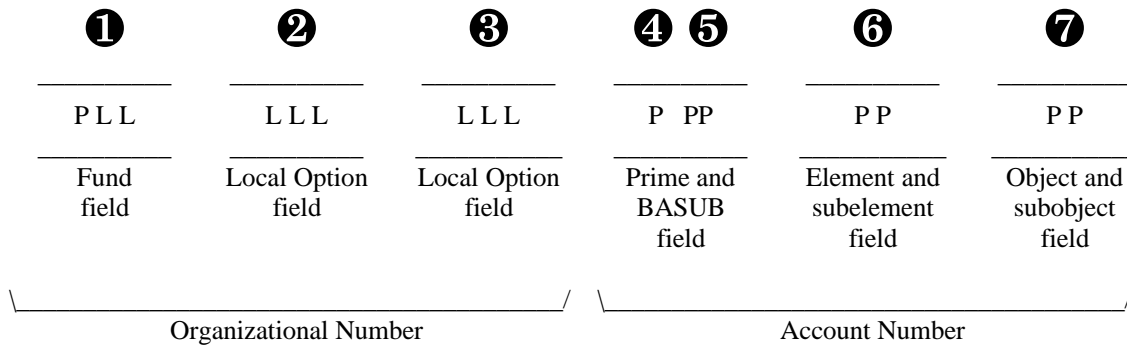
1 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentation. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

## Account Code Structure

In the BARS structure a 16 digit code accommodates the various transactions. Of these 16 digits, 7 digits are fully reserved for the Account Number, which means that if you decide to use unassigned portions of this field for local purposes, you should be aware that additional accounting may be prescribed in the future which will supplant your local applications.

In addition to this seven digit account code, a field of three digits is reserved for fund code, another two three-digit fields for the local option code, for a total code structure of 16 digits.

The account structure is designed to provide for complete identification of each transaction.



- P = Specific coding is prescribed in the BARS manual.  
 L = The fields are established in the BARS manual, but specific numbers are assigned by each district.

The first part of the account code is an **ORGANIZATIONAL NUMBER** indicating:

	<u>Digits</u>
Fund	xxx
Local Option	xxx
Local Option	xxx

**You may use the unassigned numbers (L) for additional coding.**

The second part of the account code is the **ACCOUNT NUMBER**, consisting of:

	<u>Digits</u>
Prime Digit	x
Basic and Subaccount (BASUB)	xx
Element/Subelement	xx
Object/Subobject	xx

The account code structure has the following components:

- ❶ **FUND NUMBER** - used to identify funds created and maintained for a particular purpose and having transactions subject to legal or administrative restrictions.

<b>General (Current Expense) Fund</b>	<b>000-099</b>
Debt Service Funds	200-299
Capital Projects Funds	300-399
Nonexpendable Trust Funds	601-610
Expendable Trust Funds	621-630
Agency Type Funds	631-699

- ❷ **LOCAL OPTION** - These numbers are determined by each district. If used, they must have three digits, so "1" should be "001".

- ❸ **LOCAL OPTION** - These numbers are also determined locally. If used, they must have three digits; i.e., department "1" or "23" should be "001" or "023".

- ❹ **PRIME DIGIT** – The first figure in the seven digit Account Number, assigned as follows:

3 (Three) denotes a resource detail (subsidiary) account.

5 (Five) denotes an expenditure/use detail (subsidiary) account.

- ❺ **BASIC/SUB (BASUB) CODES**

Resource - The numbers assigned to identify the source (origin or originating category) from which resources are obtained.

Expenditure/Use - The numbers assigned to identify different categories of expenditures incurred.

- ❻ **ELEMENT/SUBELEMENT CODES**

Resource - The numbers assigned to further identify specific types of revenues within a particular Basic/Sub category.

Expenditure/Use - The numbers assigned to further identify specific types of activities related to the particular Basic/Sub category.

- ❼ **OBJECT/SUBOBJECT CODES**

Resource - Generally, the numbers have not been defined, and are available for the additional coding by the district. However, as the BARS manual is updated, it may be necessary to define these codes.

Expenditure/Use - The numbers assigned to identify expenditures according to the character and the type of items purchased or services obtained.

**Part 1.      Chart of Accounts**  
**Chapter 2.   Resource Accounts**

Do **NOT** post transactions to summary accounts. Account headings and parenthesis indicate if a particular account is considered a summary account.

**BASIC AND SUBACCOUNTS (BASUB)**

- 308      BEGINNING NET CASH AND INVESTMENTS or  
         BEGINNING FUND BALANCE**
- (310)   TAXES**
  - (311)      GENERAL PROPERTY TAXES**
  - (312)      TIMBER HARVEST TAXES**
  - (317)      EXCISE TAXES**
  - (319)      PENALTIES AND INTEREST ON DELINQUENT TAXES**
- (320)   (RESERVED)**
- (330)   INTERGOVERNMENTAL REVENUES**
  - (331)      DIRECT FEDERAL GRANTS**
  - (332)      FEDERAL ENTITLEMENTS, IMPACT PAYMENTS, AND IN-LIEU TAXES**
  - (333)      INDIRECT FEDERAL GRANTS**
  - (334)      STATE GRANTS**
  - (335)      STATE SHARED REVENUE**
  - 337      INTERLOCAL GRANTS, ENTITLEMENTS, IMPACT PAYMENTS AND  
         IN-LIEU TAXES**
  - (338)      INTERGOVERNMENTAL SERVICE REVENUES**
- (340)   CHARGES FOR GOODS AND SERVICES**
  - (341)      GENERAL GOVERNMENT**
  - 347      CULTURE AND RECREATION**
- (350)   FINES AND FORFEITS**
  - (359)      NON-COURT FINES, FORFEITURES, AND PENALTIES**



- (360) MISCELLANEOUS REVENUES**
  - (361) INTEREST EARNINGS**
  - (362) RENTS, LEASES AND CONCESSIONS**
  - 363 INSURANCE PREMIUMS AND RECOVERIES**
  - (366) INTERFUND/INTERDEPARTMENTAL – MISCELLANEOUS REVENUES**
  - 367 CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES**
  - (369) OTHER**
- (370) (RESERVED)**
- (380) NONREVENUES**
  - (381) INTERFUND LOAN RECEIPTS**
  - 384 PROCEEDS FROM SALES OF INVESTMENTS**
  - 386 AGENCY TYPE DEPOSITS**
  - 387 RESIDUAL EQUITY TRANSFERS-IN**
  - (388) OTHER INCREASES IN NET CASH AND INVESTMENTS or**  
**OTHER CHANGES IN FUND BALANCE**
  - 389 OTHER NONREVENUES**
- (390) OTHER FINANCING SOURCES**
  - (391) PROCEEDS OF LONG TERM DEBT**
  - 393 PROCEEDS OF REFUNDING LONG-TERM DEBT**
  - (395) DISPOSITION OF FIXED ASSETS**
  - 397 OPERATING TRANSFERS-IN**

## Account Definitions

**308.00 BEGINNING NET CASH AND INVESTMENTS or BEGINNING FUND BALANCE.** *This account is defined as the amount of cash and investments at the beginning of the year, or the fund balance at the beginning of the year for districts reporting following generally accepted accounting principles (GAAP). These amounts should equal *Ending Net Cash and Investments* or *Ending Fund Balance* from the prior year.*

**(310) TAXES** (Summary Account)

**(311) GENERAL PROPERTY TAXES** (Summary Account)

**311.10 REAL AND PERSONAL PROPERTY TAXES** (RCW 84.56.230)

**311.30 SALE OF TAX TITLE PROPERTY**

**311.60 DEFERRED PROPERTY TAXES** (RCW 84.38.120)

**(312) TIMBER HARVEST TAXES** (Summary Account)

**312.10 PRIVATE HARVEST TAX.** County-levied tax on private timber harvest. See 335.02.31 for reforestation harvest tax and 335.02.33 for timber sales from the state forest land (Chapter 84.33 RCW)

**(317) EXCISE TAXES** (Summary Account)

**317.20 LEASEHOLD EXCISE TAX.** Taxes on property owned by state or local governments and leased to private parties. (RCW 82.29A.090)

**(319) PENALTIES AND INTEREST ON DELINQUENT TAXES** (Summary Account)

**319.11 PENALTIES ON REAL AND PERSONAL PROPERTY TAXES** (RCW 84.56.020(1)(2), 84.33.120(8) AND 84.33.140(4))

**319.12 PENALTY FOR FAILURE TO LIST PERSONAL PROPERTY** (RCW 84.40.130)

**319.15 OTHER PENALTIES**

**319.16 AND INTEREST ON REAL AND PERSONAL PROPERTY TAXES** (RCW 84.56.020)

**319.19 OTHER INTEREST**

**(330) INTERGOVERNMENTAL REVENUES** (Summary Account)

Grants, entitlements, shared revenues and payments for goods and services provided by one government to another. Private grants are recorded in account 367 and intergovernmental loans are recorded in 391.80.

**(331) DIRECT FEDERAL GRANTS** (Summary Account)

Cash or other assets furnished by the federal government under contractual arrangements that provide aid or reimburse the district for costs incurred.

Direct federal grants are distinguished from indirect grants by the fact that direct grants are received from a federal department or agency without passing through an intermediary state or local government or other nonfederal agency. All direct federal grants should be coded using this account number. Federal loans are recorded in account 391.80.

#### Coding Instructions

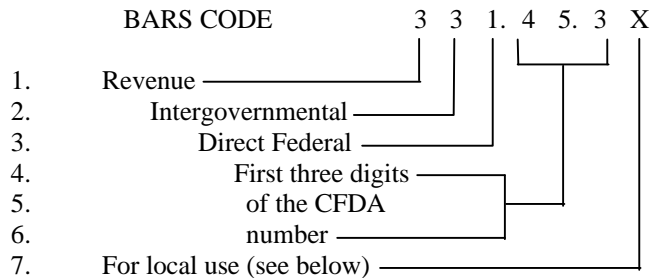
The following coding procedures apply to federal grant moneys. They apply whether such arrangements are called *awards, grants, block grants, subsidies, programs, cost reimbursements, contracts, or agreements*. The coding does not apply to entitlements, shared revenues, on intergovernmental service revenues (see Revenue Accounts 332, 335, and 338)).

All codes for federal grants are abbreviated versions of the numbers assigned by the federal government itself in the Catalog of Federal Domestic Assistance (CFDA).

Most agreements with federal agencies include references to the funding program in the first few paragraphs of the agreement. The exact title of the funding program is what you need to find the catalog number.

Grants from federal agencies will be coded using the first three digits of the program's CFDA number.

Example: District receives a direct federal grant. The title of the grant is National Leadership Grants awarded by the Institute of Museum and Library Services. The CFDA number is 45.312. The BARS code for this grant is 331.45.3X



If more than one grant with the same CFDA number is received, use the seventh digit (shown by "X") to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

### **(332) FEDERAL ENTITLEMENTS, IMPACT PAYMENTS, AND IN-LIEU TAXES** (Summary Account)

**332.15.23 PAYMENT IN-LIEU OF TAXES.** U.S. Department of Interior, Bureau of Land Management. Payments are made to each unit of local government in which federally owned entitlement land is located. Funding limitations may require prorata payments. Funds received are subject to post-audit review of data submitted by the state. (Title 31, USC, Section 6902, P.L. 97-258)

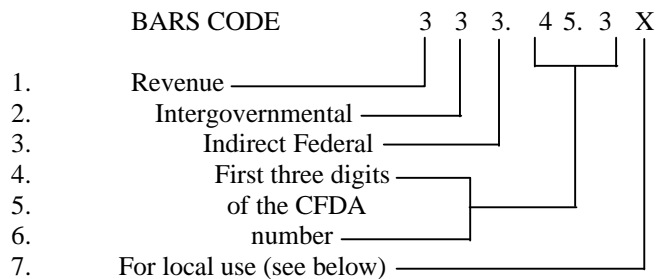
**332.15.60 PAYMENT IN-LIEU OF TAXES.** U.S. Department of Interior, U.S. Fish and Wildlife Service. Funds are paid to the county and are further distributed by it on a proportional basis to those units of local government which have wildlife refuge lands and waters administered by the Secretary of the Interior. Payments are made to those local governments that have incurred a loss or reduction of real property tax revenue due to the existence of the wildlife refuge lands. (Refuge Revenue Sharing Act, as amended Title 16, USC, Section 715s)

**332.81.10 PAYMENT IN-LIEU OF TAXES.** U.S. Department of Energy. Funds are paid to Benton County and are further distributed by it on a proportional basis to those units of local government included in a settlement agreement with the Department of Energy.

**(333) INDIRECT FEDERAL GRANTS (Summary Account)**

Indirect federal grants are distinguished from direct grants by the fact that they are passed through one or more intermediary governments or nonfederal agencies (including Indian tribes) before reaching the district.

Example: District receives a federal grant indirectly through a state agency. The title of the grant is State Library Program awarded by the Institute of Museum and Library Services and received by the district through the State Library. The CFDA number is 45.310. The BARS code for this grant is 333.45.3X.



If more than one grant with the same CFDA number is received, use the seventh digit (shown by "X") to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

Federal loans are recorded in account 391.80.

**(334) STATE GRANTS (Summary Account)**

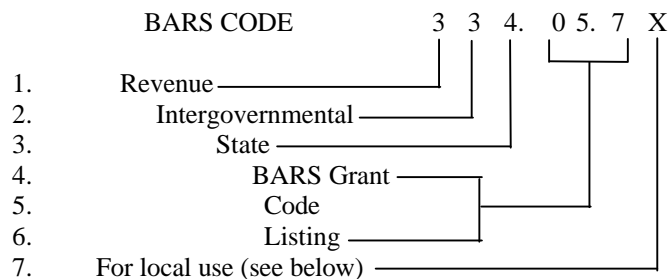
Cash or other assets furnished by the state government to districts directly or indirectly, through another local government, under contractual arrangements that provide aid or reimburse the district for costs incurred. Do not confuse state grants with grants received from the state but originating with the federal government; when the state is acting as an agent of the federal government, the grants should be classified as indirect federal grants, account 333.

### Coding Instructions

The following coding procedures apply to all state grant moneys. They apply whether such arrangements are called *awards, grants, block grants, subsidies, programs, cost reimbursements, contracts, or agreements.*

Code state grants by the state agency that provides the grant using the three-digit code listed below.

Example: District receives a state grant from the State Library.



If more than one grant is received from the same agency, use the seventh digit (shown by “X”) to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

### STATE AGENCIES<sup>1</sup>

05.1X	Superintendent of Public Instruction
05.2X	Work Force Training and Education Coordinating Board
05.3X	Higher Education Coordinating Board
05.4X	Universities and Four Year Colleges
05.5X	Community and Technical Colleges
05.6X	Other Educational Agencies
05.7X	State Library
05.8X	Arts Commission
06.9X	Other Agencies (including Department of Labor and Industries)

### (335) STATE SHARED REVENUES (Summary Account)

Money that represents the local government’s portion of revenue levied and collected by the state.

**335.00.91 PUD PRIVILEGE TAX.** State distribution of excise taxes collected from public utility districts which operate facilities for generating, distributing or selling electrical energy. The distribution to local governments is based on gross revenues from sales within each county and on the locations of generating facilities. (RCW 54.28.020 and .090) County treasurer collections from the state are distributed per RCW 54.28.090.

<sup>1</sup> For a complete list of state agencies, see the BARS Manual Category 1 or 2, Part 1, Chapter 3.

**335.02.31 REFORESTATION HARVEST TAX.** State distribution of harvest taxes on reforestation timber; the tax is based on the stumpage value of harvested timber. The Department of Revenue distributes these receipts to the county treasurer, who distributes them to local taxing districts on the basis of assessed valuation. (Chapter 84.33 RCW)

**335.02.32 NON-TIMBER REVENUE FROM STATE FOREST LAND.** Counties' share of proceeds from leases and sales of products, other than timber from state forest lands managed by the Department of Natural Resources. The county should prorate and distribute the money to other funds in the same manner as general taxes are paid and distributed that year. (RCW 76.12.120)

**335.02.33 SALE OF TIMBER FROM STATE FOREST LAND.** Counties' share of proceeds from sale of timber from state forest lands managed by the Department of Natural Resources. The county should prorate and distribute the money to other funds in the same manner as general taxes are paid and distributed that year. (RCW 76.12.120)

**(337) INTERLOCAL GRANTS, ENTITLEMENTS, IMPACT PAYMENTS AND IN-LIEU TAXES (Summary Account)**

Cash or other assets furnished by one local government to the district, other than for services rendered or goods provided. Note that a receipt for the other government's share of a joint cost should either be treated as a reimbursement or accounted for in 338. Use 367 for grants from private sources.

Do not confuse interlocal grants with grants received from another local government but originating from the federal or state government. These grants should be coded as 333 or 334.

Interlocal revenues should be coded as to source, with the local government assigning codes .07.00 through .09.00 in the fourth and subsequent digits of the account number.

**(338) INTERGOVERNMENTAL SERVICE REVENUES (Summary Account)**

This account is used to record the revenue derived by one government for performing a service that is the statutory responsibility of another government.

**338.72 LIBRARY SERVICES.** Record the revenue derived from library services rendered for another government as well as any charges for interlibrary loans.

**(340) CHARGES FOR GOODS AND SERVICES (Summary Account)**

Fees and charges for goods and services rendered. State or local sales tax collected on those items should be posted to account 386 and remitted to an appropriate state agency or municipality.

**(341) GENERAL GOVERNMENT (Summary Account)**

**341.60 WORD PROCESSING, PRINTING AND DUPLICATING SERVICES**

**341.70 SALES OF MERCHANDISE.** Include sales to other governments or private parties from central stores. Also include concession sales and vending machine proceeds. Sales tax collected on these items is posted to account 386.

- (347)      **CULTURE AND RECREATION** (Summary Account)
- 347.20      LIBRARY USE FEES.** Include non-resident borrower's fees and film rentals. Use 341.60 for photocopies, 359.70 for fines, and 362 for rentals of equipment and facilities.
- 347.90      OTHER CULTURE AND RECREATION FEES AND CHARGES.** Include periodical subscriptions and related royalties.
- (350)      **FINES AND FORFEITS** (Summary Account)
- 359.70      LIBRARY FINES.** Late returns; forfeited temporary deposits.
- (360)      **MISCELLANEOUS REVENUES** (Summary Account)
- (361)      **INTEREST EARNING** (Summary Account)
- (361.10)      TOTAL INVESTMENT INTEREST** (Summary Account)
- 361.11      INVESTMENT INTEREST.** Interest earnings collected on investments held/sold (net of investment service fees)
- 361.12      ARBITRAGE INTEREST**
- 361.19      INVESTMENT SERVICE FEES**
- (361.30)      GAINS (LOSSES) ON INVESTMENTS.** (Summary Account) Gain or loss on sale of investments. Do not include any earnings attributable to interest
- 361.31      REALIZED GAINS (LOSSES) ON INVESTMENTS.** Gain (loss) on sale of investment. Do not include any interest earnings (see account 361.11).
- 361.32      UNREALIZED GAINS (LOSSES) ON INVESTMENTS.** Gain (loss) on investment held due to changes in fair value of investment. Do not include any interest earnings (see account 361.11).
- 361.90      OTHER INTEREST EARNINGS.** Any other type of interest or dividend received.
- (362)      **RENTS, LEASES AND CONCESSIONS.** (Summary Account) (E.g., rentals, leases, percent of concession proceeds, commissions, royalties, etc.) Sales and leasehold taxes collected on these items should be posted to account 386.
- 362.10      EQUIPMENT AND VEHICLE RENTALS (SHORT-TERM).** Rentals at hourly, daily or weekly rates.
- 362.20      EQUIPMENT AND VEHICLE LEASES (LONG-TERM).** Leases at monthly or annual rates.
- 362.40      SPACE AND FACILITIES RENTALS (SHORT-TERM).** Rentals at hourly, daily or weekly rates.

- 362.50 SPACE AND FACILITIES LEASES (LONG-TERM).** Leases at monthly or annual rates.
- 362.80 CONCESSION PROCEEDS**
- 362.90 OTHER RENTS AND USE CHARGES.** Include royalties for property use. Use 347.70 for publication royalties.
- 363.00 INSURANCE PREMIUMS AND RECOVERIES.** Use this account for intergovernmental revenues and payments from private sources, including insurance claim receipts. Use 395.20 and 395.30 for recoveries on property insurance.
- (366) INTERFUND/INTERDEPARTMENTAL - MISCELLANEOUS REVENUES.** (Summary Account) Include interfund trust contributions and miscellaneous payments by one department or fund to another department or fund of the same government, EXCEPT:
- Shared costs, operating and capital subsidies;
  - Reimbursements (post to expenditure account).
- 366.10 INTERFUND INTEREST.** Example: interest on interfund loans, assessments, etc.
- 366.20 INTERFUND RENTS AND CONCESSIONS**
- 366.90 OTHER.** Include special assessment principal due to a governmental fund.
- (367) CONTRIBUTIONS AND DONATIONS FROM PRIVATE SOURCES.** (Summary Account) Include gifts, pledges, grants and bequests from private sources.
- 367.11 GIFTS, PLEDGES, GRANTS AND BEQUESTS FROM PRIVATE SOURCES**
- 367.19 OTHER**
- (369) OTHER MISCELLANEOUS REVENUES** (Summary Account)
- 369.10 SALES OF SCRAP OR JUNK**
- 369.20 UNCLAIMED MONEY AND PROCEEDS FROM SALES OF UNCLAIMED PROPERTY.** Includes sale of intangible property, unclaimed for more than two years (RCW 63.29.130).
- 369.40 JUDGMENTS AND SETTLEMENTS.** Revenue from claims determined by legal judgment or mutual consent. Include liquidated damages. See 363 and 395 for claims related to insurable losses.
- (369.80) CASH ADJUSTMENTS.** (Summary Account)
- 369.81 CASHIER'S OVERAGES OR SHORTAGES**
- 369.82 FOREIGN CURRENCY EXCHANGE ADJUSTMENTS**
- 369.90 OTHER.** Include recovery of NSF fees, corrections of minor errors and reimbursements for prior year expenditures, etc.



**(380) NONREVENUES (Summary Account)**

Receipts which do not meet revenue criteria. Unless specifically prescribed by the BARS manual, element, subelement, object and subobject codes may be assigned locally.

**(381) INTERFUND LOAN RECEIPTS.** (Summary Account) Include all interfund receipts covering loans to the local government. Do not include interfund receipts for services, materials or equipment properly included in other revenue accounts.

**381.10 LOANS RECEIVED**

**381.20 LOAN REPAYMENT RECEIVED**

**384.00 PROCEEDS FROM SALES OF INVESTMENTS.** Include proceeds derived from the sale of investments. Exclude any interest or other earnings.

**386.00 AGENCY TYPE DEPOSITS.** Include amounts collected on behalf of state or other entity. (E.g., sales and leasehold excise taxes, etc.) Use account 586 when remitting those amounts to appropriate state agency or local government.

**387.00 RESIDUAL EQUITY TRANSFERS - IN**

**(388) OTHER INCREASES IN NET CASH AND INVESTMENTS or  
OTHER CHANGES IN FUND BALANCE (Summary Account)**

**388.60 EXTRAORDINARY, UNUSUAL OR INFREQUENT ITEMS**

**388.70 CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES**

**388.80 PRIOR YEAR(S) CORRECTIONS.** This account should be used only for material errors in prior years that would distort current operations. It should never be used for refunds or cancelled warrants both of which should be posted to the expenditure account. The correction of minor errors should be posted to 369.90.

**388.90 OTHER INCREASES IN NET CASH AND INVESTMENTS**

**389.00 OTHER NONREVENUES.** Subdivide this account as necessary to identify nonrevenue receipts which are not included in other nonrevenue accounts. (E.g., receipt of unidentified money pending identification and posting, revenues received in advance-prepaid charges for services, etc.) This account may also be used for receipt of refunds and canceled warrants pending their posting to expense accounts.

**(390) OTHER FINANCING SOURCES (Summary Account)**

**(391) PROCEEDS OF LONG-TERM DEBT (Summary Account)**

**391.10 GENERAL OBLIGATION BOND PROCEEDS**

**391.50 CAPITAL LEASES/INSTALLMENT PURCHASES PROCEEDS**

**391.60 PROCEEDS OF ANTICIPATION NOTES/WARRANTS**

**391.70 OTHER NOTE PROCEEDS**

**391.80 INTERGOVERNMENTAL LOAN PROCEEDS**

**391.90 PROCEEDS OF OTHER LONG-TERM DEBT**  
**393.00 PROCEEDS OF REFUNDING LONG TERM DEBT**  
**(395) DISPOSITION OF FIXED ASSETS** (Summary Account)  
**395.10 PROCEEDS FROM SALES OF FIXED ASSETS.** (E.g., real estate (land and buildings), equipment, street vacations, timber sales, etc.)  
**395.20 COMPENSATION FOR LOSS OF FIXED ASSETS - INSURANCE RECOVERIES.** (E.g., recovery of money for damaged, destroyed, stolen, or lost assets.)  
**395.30 COMPENSATION FOR LOSS OF FIXED ASSETS - OTHER RECOVERIES**  
**397.72 OPERATING TRANSFERS-IN**

**Part 1.        Chart of Accounts**  
**Chapter 3.   Expenditure/Use Accounts**

The 500 series of expenditure/use accounts categorize all expenditures/uses by function, activity and character.

Do **NOT** post transactions to summary accounts. Account headings and parenthesis indicate if a particular account is considered a summary account.

**BASIC AND SUBACCOUNTS (BASUB)**

- 508        ENDING NET CASH AND INVESTMENTS or**  
**ENDING FUND BALANCE**
- (570)        CULTURE AND RECREATION**
  - (572)        LIBRARY**
- (580)        NONEXPENDITURES**
  - (581)        INTERFUND LOAN DISBURSEMENTS**
  - (584)        PURCHASE OF INVESTMENTS**
  - (586)        AGENCY TYPE DISBURSEMENTS**
  - (587)        RESIDUAL EQUITY TRANSFERS-OUT**
  - (588)        OTHER DECREASES IN NET CASH AND INVESTMENTS or**  
**OTHER DECREASES IN FUND BALANCE**
  - (589)        OTHER NONEXPENDITURES**
- (590)        OTHER FINANCING USES**
- 591-593     DEBT SERVICE**
  - (591)        REDEMPTION OF GENERAL LONG-TERM DEBT**
  - (592)        INTEREST AND OTHER DEBT SERVICE**
  - (593)        ADVANCE REFUNDING ESCROW**
- 594        OTHER EXPENDITURES**
  - (594)        CAPITAL EXPENDITURES**
- 597-599     OTHER FINANCING USES**
  - (597)        OPERATING TRANSFERS-OUT**
  - (598)        INTERGOVERNMENTAL AGREEMENTS**
  - (599)        PAYMENTS TO REFUNDED DEBT ESCROW AGENT**

## Accounts Definitions

**508.00    ENDING NET CASH AND INVESTMENTS or ENDING FUND BALANCE.** This account is defined as the amount of cash and investments that has not been spent at the end of the year, or the fund balance at the end of the year for districts reporting following generally accepted accounting principles (GAAP).

**(572)    LIBRARY** (Summary Account)

**572.10    ADMINISTRATION.** Activities of general nature, not associated directly with a specific service function.

**572.20    LIBRARY SERVICES**

**Note:** For consistent BARS reporting, purchases of collection materials (books, etc.) are to be reported under **572.20 Library Services** (object .30 Supplies), not under **595.72 Capital Expenditures** (object .60 Capital Outlays). This BARS reporting requirement applies to all districts.

**572.40    TRAINING**

**572.50    FACILITIES.** Rent, repair, operation and maintenance of land, buildings, and equipment. Use 594 for capital outlays.

**572.90    OTHER**

**NOTE:** For libraries, unless otherwise noted the Element/Subelement to be used with accounts 581-589 is .72.

**(580) NONEXPENDITURES** (Summary Account)

Disbursements which do not meet the expenditures criteria. Note: Accounts in the 580 series are primarily for single-entry.

**(581) INTERFUND LOAN DISBURSEMENTS.** (Summary Account) Include all interfund loans made to others and payments on those loans. Do not include interfund payments for services, materials or equipment properly included in other expenditure accounts.

**581.10 LOANS ISSUED TO OTHER FUNDS**

**581.20 LOAN REPAYMENT ISSUED**

**584.72 PURCHASE OF INVESTMENTS.** Amounts paid for investments. Do not include interest paid when investments are acquired between interest coupon dates. See account 361.90.

**586.00 AGENCY TYPE DISBURSEMENTS.** Examples:

- Sales and User Tax
- Leasehold Excise Taxes

Unless specifically prescribed by the BARS manual, object and subobject codes may be assigned locally.

**587.72 RESIDUAL EQUITY TRANSFERS - OUT.** Nonrecurring or nonroutine interfund transfers out of equity between funds.

**(588) OTHER DECREASES IN NET CASH AND INVESTMENTS or  
OTHER DECREASES IN FUND BALANCE** (Summary Account)

**588.80 PRIOR YEAR(S) CORRECTIONS.** This account should be used only for material errors in prior periods that would distort current operations. It should never be used for refunds which should be posted to the revenue account. The correction of minor errors should be posted to 572.90.

**588.90 OTHER DECREASES IN NET CASH AND INVESTMENTS**

**589.72 OTHER NONEXPENDITURES.** Use this account for all other nonexpenditure transactions not includable in other specific 580 accounts. This account may also be used for refunds of revenues collected in error pending their posting to a revenue account. Examples:

- Disbursement of moneys out of a clearing fund (RCW 35.21.085) such as salary or claims.
- Disbursement of moneys out of a suspense fund.
- Disbursement of unidentified moneys pending identification and ultimate distribution.

Normally use 591, 592 and 599 for the remittance of moneys to fiscal agents for the redemption of bond principal and payment of interest.

**NOTE: For libraries, the Element/Subelement to be used with accounts 591-599 is .72 as noted below.**

**(591-593) DEBT SERVICE**

- 591.72 REDEMPTION OF LONG-TERM DEBT - GOVERNMENTAL FUNDS ONLY.** Use this account only for long-term debt of the governmental funds. Code by subobject to classify the type of debt being paid.
- 592.72 INTEREST AND OTHER DEBT SERVICE COSTS.** Code by subobject to indicate the type of debt service cost being paid or expensed. Also include interest on interfund loans (for interfund principal payment use 581).
- 593.72 ADVANCE REFUNDING ESCROW.** Include payments made to an escrow agent from sources other than refunding debt proceeds. Code by subobject to indicate the type of debt service cost being paid or expensed.

**(594) OTHER EXPENDITURES**

- 594.72 CAPITAL EXPENDITURES.** Use this account for all capital outlays. Code by subobject to classify the type of capital expenditures.

**Note: For consistent BARS reporting, purchases of collection materials (books, etc.) are to be reported under 572.20 Library Services (object .30 Supplies), not under 595.72 Capital Expenditures (object .60 Capital Outlay). This BARS reporting requirement applies to all districts.**

**597-599 OTHER FINANCING USES**

- 597.72 OPERATING TRANSFERS – OUT.** Include all routine or regular interfund transfers out. The fund receiving the operating transfers in will use account code 397.72.
- 598.72 INTERGOVERNMENTAL AGREEMENTS.** This account is used to record local governments' disbursement of funds to other governments based on intergovernmental agreements. Intergovernmental professional services are coded subobject 51. Intergovernmental payments are coded subobject 52.
- 599.72 PAYMENTS TO REFUNDED DEBT ESCROW AGENT.** Payments to an escrow agent from refunding debt proceeds that are to be placed in irrevocable trust. Code by subobject to classify the type of debt being paid.

## Classification Of Expenditure By Object

**OBJECT** As used in expenditure classification, this term applies to character and type of items purchased or services obtained rather than to the purpose of the expenditure.

Coding examples:

Professional services purchased for library administration	572.10.41
Professional services purchased to train employees	572.40.41

### **10<sup>1</sup> SALARIES AND WAGES**

Amounts paid for personal services rendered by employees in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensation construed to be salaries and wages. Subdivide this account as necessary for local purposes (i.e., regular pay, overtime pay, sick pay (employee related), sick pay (non-employee related), vacation pay, shift differential, and other taxable compensation). Subdivide this account as necessary for local purposes.

Note: Personal services do not include fees and out-of-pocket expenses for professional or consultant services performed on assignments. Such services are properly classified as Services and Charges.

### **20<sup>1</sup> PERSONNEL BENEFITS**

Those benefits paid by the employer as part of the conditions of employment. Subdivide as needed for local purposes. (E.g., insurance, unemployment compensation, OASI (FICA) – employer-paid portion, uniforms and clothing, pension retirement, and worker’s compensation.) Subdivide this account as necessary for local purposes.

### **30<sup>1</sup> SUPPLIES**

Amounts paid for articles and commodities purchased for consumption or resale.

**31 Office and Operating Supplies.** Articles purchased directly and consumed by operating departments. (E.g., chemicals, forms, cleaning and sanitation supplies, clothing, office supplies, construction materials and supplies, laboratory supplies, publications, etc.)

**32 Fuel Consumed.** Include fuel used to generate power, fuel for heating, and fuel for operating engines and vehicles. Use subobject 47 for electricity and natural gas. (E.g., coal, diesel fuel, fuel oil, gasoline, propane gas, wood, etc.)

**34 Collection Materials.** This includes purchases of materials for use by the public. It includes print materials (including books), microforms, machine-readable materials, audiovisual materials and others.

Note: For consistent BARS reporting, purchases of collection materials (books, etc.) are to be reported under object 572.20.34.

**35 Small Tools and Minor Equipment**

---

1 Only the object (first digit) is required for reporting purposes. The subobject (second digit) is recommended for accounting purposes.

## 40<sup>1</sup> SERVICES AND CHARGES

Amounts paid for services other than personal services which are needed by the district. Such services may be provided by another government or by private business organizations.

- 41 **Professional Services.** (E.g., accounting and auditing, computer programming, scientific testing and monitoring, custodial and cleaning, engineering and architectural, management consulting, special legal services, etc.)
- 42 **Communication** (E.g., facsimile, postage, on-line charges, telephone, shipping, etc.)
- 43 **Travel** (E.g., lodging, mileage, meals, per diem, etc.)
- 44 **Advertising**
- 45 **Operating Rentals and Leases**
- 46 **Insurance.** (E.g., bonds, other casualty, fire, theft, liability, etc.) Note: Use object 20 for insurance applicable to personnel benefits.
- 47 **Utility Services** (E.g., cable television, electricity, gas, sewer, waste disposal, water, etc.)
- 48 **Repairs and Maintenance.** Contracted (external) labor and supplies furnished by the contractors. See object 60 for construction contracts. (E.g., buildings, equipment, improvements, structures, etc.)
- 49 **Miscellaneous.** (E.g., judgments and damages, dues, subscriptions, memberships, etc.)

## 50<sup>1</sup> INTERGOVERNMENTAL SERVICES

Amounts paid for intergovernmental services.

- 34 **Intergovernmental Professional Services.** Amounts paid to other governments for services rendered. Intergovernmental services are limited to those normally provided by governments and not by private businesses. Do not include amount paid to another government for services that are not governmental in nature, such as insurance, utility charges, rentals, repairs and supplies. Include election expenses.
- 52 **Intergovernmental Payments from Federal, State, or Local Funds.** Use this subobject for disbursements of state or local revenues to other governments.

## 60<sup>1</sup> CAPITAL OUTLAYS

Amounts paid for capital assets. Include incidental costs such as legal, appraisal and brokerage fees, land preparation and demolishing buildings, fixtures and delivery costs. This object should be used only with accounts 594.72.

- 61 **Land**
- 62 **Buildings and Structures**
- 63 **Other Improvements**

---

1 Only the object (first digit) is required for reporting purposes. The subobject (second digit) is recommended for accounting purposes.



- 64 Machinery and Equipment.** Note: Exclude small tools and minor equipment (See subobject 35)
- 65 Construction of Fixed Assets.** Note: This classification is to be used where the expenditure applies to improvement projects involving several distinct subobjects such as land, buildings and structures, and other improvements. It is intended that the classification will be used primarily for undistributed work in progress in capital project funds. Work orders or other adequate records must be maintained to identify and establish the validity of all amounts which ultimately will be distributed to appropriate fixed asset accounts.
- 66 Capital Leases.** Principal amounts paid for capital assets purchased under executory conditional sales contracts, lease-purchase agreements, and installment purchase agreements.

Interest payments are coded to subobject 83.

**70<sup>1</sup> DEBT SERVICE: PRINCIPAL**

Use with BASUB 591, 593 and 599

- 71 General Obligation Bonds**
- 76 Anticipation Notes/Warrants**
- 77 Other Notes**
- 78 Intergovernmental Loans**
- 79 Other Debt. Include interfund loan principal payments**

**80<sup>1</sup> DEBT SERVICE: INTEREST AND RELATED COSTS**

Use with BASUB 592.

- 81 Interest on Short-Term External Debt**
- 82 Interest on Interfund Debt**
- 83 Interest on Long-Term External Debt**
- 84 Debt Issue Costs**
- 85 Debt Registration Costs**
- 89 Other Debt Service Costs**

---

1 Only the object (first digit) is required for reporting purposes. The subobject (second digit) is recommended for accounting purposes.

## TABLE OF CONTENTS

<b>PART TWO</b>	<b>ACCOUNTING</b>	<b><u>PAGE</u></b>
Chapter 1	Internal Control.....	1
Chapter 2	Electronic Funds Transfer .....	1
Chapter 3	Cash Receipting .....	1
Chapter 4	Travel (Chapter 42.24 RCW).....	1
Chapter 5	Petty Cash.....	1
Chapter 6	Voucher Certification And Approval .....	1
Chapter 7	Grant Accounting.....	1
Chapter 8	Inventories And Fixed Assets .....	1

**Part 2.        Accounting**  
**Chapter 1.   Internal Control**

This section contains the standards to be followed by library districts in establishing and maintaining systems of internal control. Effective internal control systems ensure that the following objectives are achieved:

- 1) Transactions are properly accounted for to:
  - a) permit the preparation of reliable financial statements and statistical reports;
  - b) maintain accountability over assets; and
  - c) demonstrate compliance with laws, regulations, and other compliance requirements;
- 2) Transactions are executed in compliance with applicable laws, regulations, and the provisions of contracts or agreements
- 3) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use or disposition, and misappropriation.

The following concept of internal control is useful in understanding and applying the standards set forth and discussed on succeeding pages:

An internal control system consists of the plan of organization, and methods and procedures adopted by the library district board to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

The ultimate responsibility for good internal controls rests with management. In order to ensure the proper conduct of library district business, management must periodically review its internal control systems.

**INTERNAL CONTROL STANDARDS**

The following internal control standards, based on those established by the U.S. General Accounting Office (GAO), define the minimum level of quality acceptable for library district internal control systems in operation and constitute the criteria against which systems will be evaluated.

**General Standards**

- 1) **Reasonable Assurance.** Internal control systems are to provide reasonable assurance that the objectives listed in the section above will be accomplished. The standard of reasonable assurance recognizes that the cost of internal control should not exceed the benefit derived. In making this determination, the library district should identify:
  - a) Risks inherent in district operations,
  - b) The criteria for determining low, medium, and high risks, and
  - c) Acceptable levels of risk under varying circumstances.
- 2) **Appropriate Organizational Structure.** The organization of a library district is designed to provide its management with the overall framework for planning, directing, and controlling its operations. Good internal control requires:
  - a) Clear lines of authority and responsibility,
  - b) Appropriate reporting relationships, and
  - c) Appropriate separation of authority.

- 3) **Competent Personnel.** Managers and employees are to have personal and professional integrity and are to maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal controls.
- 4) **Control Objectives.** Internal control objectives are to be identified or developed for each library district activity and are to be logical, applicable, and reasonably complete.
- 5) **Control Techniques.** Internal control techniques are the mechanisms by which control objectives are effectively and efficiently achieved. Techniques include, but are not limited to, such things as specific policies, procedures, plans of organization (including separation of duties), and physical arrangements (such as locks and fire alarms).

#### **Specific Standards**

- 1) **Documentation.** Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.
- 2) **Recording of Transactions and Events.** Transactions and other significant events are to be properly classified and promptly recorded.
- 3) **Execution of Transactions and Events.** Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority.
- 4) **Separation of Duties.** Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.
- 5) **Supervision.** Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.
- 6) **Access and Accountability for Resources.** Access to resources and records is to be limited to authorized individuals, and accountability for the custody and use of resources is to be assigned and maintained.

#### **Audit Resolution Standard**

Prompt Resolution of Audit Findings. Managers are to:

- Promptly evaluate findings and recommendations reported by auditors,
- Determine proper actions in response to audit findings and recommendations, and
- Complete, within established time frames, all actions that correct or otherwise resolve the matters brought to the management's attention.

**Part 2.        Accounting**  
**Chapter 2.   Electronic Funds Transfer**

Electronic funds transfer (EFT) is the deposit to or disbursement from a bank account by means of wire or other electronic communication. RCW 39.58.750 governs the circumstances under which electronic fund transfers may be used. The following accounting procedures are recommended:

**1)        Receiving money by EFT:**

- a) Prepare a receipt upon receiving notice from the payer that the funds have been transferred to the district's bank account. Do not wait for the bank to notify the district of receipt of the funds. However, you may want to contact your bank to confirm the expected funds have arrived.

Enter the following information on the receipt:

- ♦ Date of receipt.
  - ♦ Name of entity transferring money into the district's account.
  - ♦ Grant number, if applicable.
  - ♦ BARS account number.
  - ♦ Notation that funds were received by EFT.
- b) A file must be maintained of those payers who have agreed in writing to add money to the library district's account electronically.

**2)        Disbursing money by the EFT:**

- a) Prepare a record which shows:
- ♦ Chronological number of the EFT payment.
  - ♦ Time and date of disbursement.
  - ♦ Payee – name, address and account number.
  - ♦ Amount of disbursement.
  - ♦ Purpose of disbursement.
  - ♦ BARS or other accounting system expenditure account number.
  - ♦ Name and number of fund(s).
  - ♦ Disbursing bank's unique transaction identification number, if available.
  - ♦ Receiving bank or financial institution's identification number.
- b) A file must be maintained of authorizations signed by payees who have thereby agreed to have money added to their accounts electronically.
- c) The library district should notify the disbursing bank that access to files, records and documentation of all EFT transactions involving the library district should be provided to the State Auditor when required for the conduct of the statutory post audit.

**Part 2.      Accounting**  
**Chapter 3.   Cash Receipting**

Listed below are requirements for deposits and receipt forms. Also provided are recommended internal control procedures for cash receipts.

**1)      Deposits:**

- a) Deposit checks and money collected and/or received promptly (once every 24 hours, if possible).
- b) Deposits must be intact, and the composition of checks and cash must match the bank deposit slip and related receipts.
- c) Checks must be restrictively endorsed "For Deposit Only" immediately upon receipt.

**2)      Receipt Forms (manual or automated):**

- a) Receipt forms must be pre-printed, pre-numbered, and in duplicate.
- b) Receipt forms must include the following information:
  - ♦ Name of payer (address if feasible)
  - ♦ Amount received
  - ♦ Mode of payment (cash, check, EFT, other)
  - ♦ Purpose of payment
  - ♦ Name of employee who prepares receipt
- c) If a receipt is voided, the original and any copies of that receipt must be retained.

**3)      Separation of duties and review:**

- a) Ideally, two employees should prepare a list of cash and checks received. For small library districts with limited staff, as a minimum a system of supervisory review of the remittance list and bank deposits should be in place.
- b) The deposit should be prepared by someone other than the person who received the payment. However, as noted above, because of limited staffing this may not be feasible. In such cases, the district should implement a system of supervisory review of the remittance list and bank deposits.
- c) Checks received in the mail should be reviewed for accuracy (e.g. proper payee, date, signature of payer, etc.). Checks with obvious inaccuracies should not be included in the deposit. In such a case, the district should contact the payer and request that the payment be corrected or reissued.
- d) The remittance list should be compared (reconciled) to deposit slips and to the cash receipts (or check register) on a regular basis.
- e) A monthly Treasurers Report should be prepared and reviewed at every monthly district board meeting, approved by the board, and included as part of the district meeting minutes.

**4)      Safeguarding:**

Cash receipts should be properly protected during the operating day and, if they cannot be deposited that day, secured overnight.

**Part 2.        Accounting**  
**Chapter 4.   Travel (Chapter 42.24 RCW)**

For the purpose of the BARS, travel expenses include amounts paid for use of personal automobiles, other transportation, and actual expenses or reimbursement in lieu of actual expenses for meals, lodging, and related items.

The board of trustee's of each library district must pass a resolution establishing rules and regulations regarding reimbursement of travel expenses for district officials and employees. The resolution should discuss the district's policy on tipping, charging expenses to the district, and it should prohibit reimbursement for personal expenses and entertainment.

If a library district utilizes credit cards for travel related expenses, the board must pass a resolution establishing rules and regulations that satisfy provisions of Chapter 42.24 RCW, including:

- 1)        Limiting the use of credit cards to authorized travel expenses only.
- 2)        Submission of a fully itemized travel expense voucher by the employee or district board member.
- 3)        Settlement by the employee or board member within 30 days of the billing date.
- 4)        The establishment of a lien against a salary for any disallowed charges.

Claims for reimbursement of travel expenses must contain a signed certification that includes the following language:

"I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me and that no payment has been received by me on account thereof."
---

**Part 2.        Accounting**  
**Chapter 5.   Petty Cash**

For the purpose of the BARS, petty cash includes change funds, working funds, revolving funds, stamp funds, etc. In other words, any sum of money or other resources set aside for such specific purposes as minor disbursements, making change, and similar uses. If petty cash is disbursed, it is periodically restored to its original amount by a check charged to the applicable expenditure account. The amount of the check should be equal to the total disbursements.

The following are minimum requirements for the establishment and operation of a petty cash fund:

- 1)        The board of trustees must authorize the petty cash fund by resolution. This applies to any subsequent increase or decrease in the total petty cash amount.
- 2)        The board must appoint one custodian of the petty cash fund. Ideally, the person handling petty cash would be independent of invoice processing, general accounting, and cash receipts functions. For small districts with limited staff, a system of periodic supervisory review of the cash receipts and/or bank reconciliation adds controls when complete segregation of duties is not possible. The custodian should sign a receipt upon receiving petty cash funds.
- 3)        The board should assure that the amount in petty cash is periodically counted and reconciled by someone other than the custodian.
- 4)        The custodian should assure the petty cash is kept in a safe place.
- 5)        The petty cash amount may be established by check.
- 6)        If petty cash is disbursed, it must be replenished at least monthly by check payable to the custodian. The replenishment should be subject to the same review and approval as processed invoices. The replenishment must be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the money, stamps, etc. The receipts should be perforated or cancelled by some other means to prevent reuse. At the time of replenishment, the custodian should ensure that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the authorized petty cash amount.
- 7)        The fund may not be used for personal cash advances even if secured by check or other IOUs. Petty cash should always be replenished at the end of the fiscal year so that expenditures will be reflected in the proper accounting period.
- 8)        Whenever an individual's appointment as custodian is terminated, the fund must be replenished the petty cash amount turned over to the board.



**Part 2.        Accounting**  
**Chapter 6.    Voucher Certification and Approval**

**Claims Certification**

All claims against the district must be preaudited and certified by the district's auditing officer or his/her delegate. The certification may be made on each individual claim voucher or, subject to the acceptance and approval of the board, a blanket voucher certification may be used so long as it indicated the particular vouchers so certified. The use of a blanket voucher certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified.

For all claims, except expense reimbursement claims certified by district employees or board members, the certification must include the following language:

"I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against \_\_\_\_\_ Library District, and that I am authorized to authenticate and certify to said claim."

**Employee Reimbursement Certification**

The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

"I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the District, and that I am authorized to certify to said claim."

The certification by the auditing officer in no manner relieves members of the board members from the responsibility and liability for each voucher approved. It is the board's responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the board and the district.

**Approval Methods**

To indicate board approval for payment of claim vouchers and payroll, the following statement must be entered in the minutes:

The following voucher/warrants are approved for payment:  
(Funds)  
Voucher (warrant) numbers: \_\_\_\_\_ through \_\_\_\_\_ and totaling \$ \_\_\_\_\_  
Payroll warrant numbers: \_\_\_\_\_ through \_\_\_\_\_ and totaling \$ \_\_\_\_\_

If the board authorizes the procedure, the district may issue warrants before the board approves claims. To do this, the district must enact the following policies and procedures (required in Chapter 42.24 RCW):

- 1) The auditing officer and the officer designated to sign the warrants must have an official bond. The amount should be determined by the board but cannot be less than fifty thousand dollars. (RCW 42.24.180)
- 2) The board must adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal controls.

- 3) The board must review and approve the claims paid at its next regularly scheduled public meeting.
- 4) If the board disapproves some claims, the auditing officer and the officer designated to sign the warrants must recognize these claims as receivables of the district and pursue collection diligently until the amounts are either collected or the board is satisfied and approves the claims.

The board may stipulate that certain expenses will not be paid before the board has reviewed the supporting documentation and approved the issue of warrants in payment of those expenses. For example, the board may allow the staff to pay normal, recurring claims such as phone, payroll, utility bills, etc., but may reserve for itself the discretion to approve major equipment purchases.

Supporting documentation must be retained and attached to the vouchers and cancelled by the auditing officer to prevent reuse. Districts should send original vouchers and supporting documentation to the county auditor. Copies must be filed in the district office. The detailed accounts to which the expenditures are to be posted must be clearly designated.

Vouchers and supporting documentation must be filed in a manner that allows rapid identification and retrieval of all the vouchers of a particular fund, program, or account code.

## **Part 2.      Accounting**

### **Chapter 7.   Grant Accounting**

The requirements and procedures described below apply to library districts with programs funded with federal funds and/or federal funds that are passed through the state and/or a local government to the district. Excerpts from U.S. Office of Management and Budget (OMB) Circular A-133, Circular A-87, and the Common Rule are provided in this section. Please note that there are many additional federal laws and regulations that may apply to a library district's grants. Copies of these circulars and other federal documents can be obtained from the U.S. Government Printing Office. To order these documents, contact the Region-10 office in Seattle at 206/553-4270. They are also available on line at the OMB web site.

#### **The Common Rule**

The Common Rule (an attachment to OMB Circular A-102) sets forth uniform administrative requirements for grants and cooperative agreements. The financial management systems of a library district must meet the following standards:

- 1)      **Financial reporting.** Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- 2)      **Accounting records.** The library district must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- 3)      **Internal control.** Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. The library district must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- 4)      **Budget control.** Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant.
- 5)      **Allowable cost.** Applicable OMB cost principles, agency program regulations, and the terms of the grant and subgrant agreements must be followed in determining the reasonableness, allowability, and allocability of costs.
- 6)      **Source documentation.** Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

#### **OMB Circular A-87**

Expenditures of federal funds and costs claimed for reimbursement or used for matching must be determined in accordance with OMB Circular A-87, *Cost Principles for State and Local Governments*. This circular provides criteria for determining whether costs are necessary, reasonable, and allocable. It also lists specific types of costs and expenditures that are allowable and unallowable.

#### **OMB Circular A-133**

The Single Audit Act of 1984 (and Amendment of 1996) sets forth uniform requirements for audits of federal financial assistance provided to state and local governments. Single audit requirements are provided in OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

According to OMB Circular A-133 "... non-federal entities that expend \$300,000 or more in a year in federal awards will have a single audit conducted ... except when they elect to have a program-specific audit ...." Circular A-133 outlines specific responsibilities for the auditee:

- 1) Identify, in the accounting records, all federal awards received and expended, including the name of the federal grantor agency and pass-through agency (if applicable), the Catalog of Federal Domestic Assistance (CFDA) title and number, and the award number and year.
- 2) Maintain internal control over federal programs that provides reasonable assurance that the grantee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that have a material effect on the federal program.
- 3) Comply with laws and regulations and the provisions of contracts or grant agreements related to the federal program.
- 4) Prepare appropriate financial statements and Schedule of Expenditures of Federal Awards (see Schedule 16, Part 3, Chapter 2, Page 26).
- 5) Ensure audits are performed and submitted when due.
- 6) Follow up and take corrective action on audit findings, including preparation of a Summary Schedule of Prior Audit Findings and a Corrective Action Plan.
- 7) Submit a Data Collection Form and a reporting package to the federal clearinghouse (refer to the OMB Circular A-133 for details).
- 8) Library districts that expend less than \$300,000 in a year in federal awards are exempt from federal audit requirements for that year, but records must be available for review or audit by appropriate officials of the federal agency, pass-through entity, and General Accounting Office.

## **Part 2.        Accounting**

### **Chapter 8.   Inventories and Fixed Assets**

#### **Definition**

Generally, the term fixed assets means real and personal property the library district intends to use or keep for more than one year. Fixed assets include land and land rights; buildings, their furnishings, fixtures, and furniture; equipment, machinery, vehicles, and tools.

Accountability means the obligation to demonstrate good management of or control over those matters for which a library district is responsible.

A fixed assets management system is the set of written policies and procedures used to control a library district's fixed assets and demonstrate accountability.

#### **General Requirements**

Specific requirements of the State Auditor's Office are contained on subsequent pages. In addition, the federal government has issued property management requirements that apply to all governments that receive federal assistance. Each federal agency has published a Federal Agency Implementation of the Common Rule. Excerpts from the Common Rule have been included in this section. Note that these requirements involve broad stewardship responsibilities and specific accounting records.

#### **Rationale**

The duty to make certain that public property is adequately protected and that its use is properly managed is one of the fundamental responsibilities of library district officials. District officials have several broad responsibilities with respect to fixed assets:

- 1)        **Custody.** The responsibility for custody means having the answers to such questions as:
  - a)    What property and equipment does this district own?
  - b)    Where is it?
  - c)    What condition is it in?
  - d)    Is it protected from loss and unauthorized use?
- 2)        **Insurance.** The second major responsibility for fixed assets is providing adequate insurance. A fixed asset accounting system should provide adequate records to prove any losses. Location, inventory, and maintenance records will confirm that a lost or damaged asset has been in use recently, which will support the validity and timeliness of a theft or damage report.
- 3)        **Maintenance and Repair.** The third major responsibility is maintenance. As a steward of public property, a library district supervisor has the obligation not only to safeguard assets from loss but also to ensure that they are not neglected or wasted.
- 4)        **Planning.** The fourth general category of responsibility is planning for future asset needs both short and long term. Here a library district supervisor needs answers to questions such as:
  - a)    How well is the district using the facilities and equipment it already has?
  - b)    Which items must be replaced, when and at what cost?
  - c)    When will additional facilities or equipment be needed and at what cost?
  - d)    Which facilities or equipment will not be needed, and what cost reductions in maintenance, insurance, and security will result from liquidating them?

### **Establishing the Fixed Asset System**

Designing and establishing a fixed asset system requires systematic planning activities:

- 1) Establish the objectives of the fixed asset system and make permanent policy decisions which will shape both the initial establishment of fixed asset inventory and maintenance of the system.
- 2) Design the plan for taking the initial inventory, for verifying and testing the data, and for establishing a value for each recorded asset.
- 3) Determine when and how to implement controls over additions and deletions to the fixed asset inventory.

A detailed guide for establishing a fixed asset system is available on request from the State Auditor's Office.

### **FEDERAL COMMON RULE – PROPERTY MANAGEMENT**

All federal agencies administering programs that involve grants are to issue a common grants management rule (Common Rule). The requirements listed below are the general rule, however some federal agencies may publish deviations from the Common Rule due to statutory requirements.

#### **1) Real property**

- a) **Title.** Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant will vest upon acquisition in the library district.
- b) **Use.** Except as otherwise provided by federal statutes, real property will be used for the originally authorized purpose as long as needed for that purpose, and the district will not dispose of or encumber its title.
- c) **Disposition.** When real property is no longer needed for the originally authorized purpose, the district will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:
  - ♦ **Retention of Title.** Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the costs of the original purchase to the fair market value of the property. However, in those situations where a district is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.
  - ♦ **Sale of Property.** Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active, the net proceeds from the sale may offset against the original cost of the property. When a district is directed to sell property, sales procedures will be followed that provide for competition to the extent practicable and result in the highest possible return.
  - ♦ **Transfer of Title.** Transfer title to the awarding agency or to a third party designated/approved by the awarding agency. The library district will be paid an amount calculated by applying the district's percentage in participation in the purchase of the real property to the current fair market value of the property.

#### **2) Equipment**

- a) **Title.** Subject to the obligations and conditions set forth in this section, title to the equipment acquired under a federal grant will vest upon acquisition in the library district.

**b) Use**

- ♦ Equipment will be used by the district in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a federal agency.
- ♦ The district will also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use will be given to other programs or projects supported by the awarding agency.
- ♦ The district must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted by federal statute.
- ♦ When acquiring replacement equipment, the district may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

**c) Management Requirements.** Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with federal grant funds, until disposition takes place will, at a minimum, meet the following requirements:

- ♦ Property records must be maintained that include:
  - A description of the property
  - A serial number or other identification number
  - The source of the property
  - Who holds title
  - The acquisition date and cost of the property
  - Percentage of federal participation in the cost of the property
  - The location, use and condition of the property
  - Any ultimate disposition data including the date of disposal and sales price of the property
- ♦ A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- ♦ A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated.
- ♦ Adequate maintenance procedures must be developed to keep the property in good condition.
- ♦ If the district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

**d) Disposition.** When original or replacement equipment acquired under a federal grant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows:

- ♦ Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

- ♦ Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency will have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

e) **Federal Equipment.** In the event a district is provided federally-owned equipment:

- ♦ Title will remain vested in the federal government.
- ♦ Library districts will manage the equipment in accordance with federal agency rules and procedures, and submit an annual inventory listing.
- ♦ When the equipment is no longer needed, the district will request disposition instructions from the federal agency.

f) **Right to Transfer Title.** The federal awarding agency may reserve the right to transfer title to the federal government or a third party named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers will be subject to the following standards:

- ♦ The property will be identified in the grant or otherwise made known to the grantee in writing.
- ♦ The federal awarding agency will issue disposition instructions within 120 calendar days after the end of the federal support of the project for which it was acquired. If the federal awarding agency fails to issue disposition instructions within the 120 calendar-day period, the district will follow the proceeding guidelines provided in subsection (d) *Disposition*.

3) **Supplies**

a) **Title.** Title to supplies acquired under a grant will vest, upon acquisition, in the library district.

b) **Disposition.** If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination of completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the district will compensate the awarding agency for its share.

4) **Copyrights.** The federal awarding agency reserves a royalty-free, non exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes:

- The copyright in any work developed under a grant; and
- Any rights of a copyright to which a district or a contractor purchases ownership with grant support.



## TABLE OF CONTENTS

<b>PART THREE</b>	<b>REPORTING</b>	<b>PAGE</b>
Chapter 1	Reporting Requirements	
	BARS Reporting Requirements .....	1
	MCAG Index .....	2
	Certification/Cover Sheet For Annual Report.....	3
Chapter 2	Financial Statements And Schedules	
	Fund Resources And Uses Arising From Cash Transactions – Detailed (C-4) .....	1
	Fund Resources And Uses Arising From Cash Transactions – Summarized (C-5).....	5
	Detail Of Revenues And Other Sources (Schedule 04) .....	9
	Detail Of Expenditures And Other Uses (Schedule 05).....	15
	Long-Term Debt (Schedule 09) .....	20
	Limitation of Indebtedness (Schedule 10) .....	23
	Financial Assistance (Schedule 16).....	26
	Labor Relations Consultant(s) (Schedule 19) .....	35
Chapter 3	Notes To Financial Statements	
	Note 1 – Summary Of Accounting Policies .....	2
	Note 2 – Investments .....	4
	Note 3 – Long-Term Debt.....	4
	Note 4 – Pension Plans .....	5
	Other Disclosures .....	5

**Part 3.        Reporting**  
**Chapter 1.   Reporting Requirements**

**BARS Reporting Requirements**

*Pursuant to RCW 43.09.230, Annual Reports are to be certified and filed with the State Auditor's Office within 150 days after the close of each fiscal year.*

Mail your completed annual report to the following:

State Auditor's Office Technical Services PO Box 40031 Olympia, WA 98504-0031
--

**Required Statements**

The following required statements are intended for library districts following single-entry accounting and cash basis reporting. (Those districts following double entry accounting and generally accepted accounting principles (GAAP) basis reporting may instead submit their General Purpose Financial Statements.)

C- 4      Fund Resources And Uses Arising From Cash Transactions – Detailed

C- 5      Fund Resources And Uses Arising From Cash Transactions – Summarized

Notes To Financial Statements

**Required Schedules**

The following required schedules are to be submitted by all library districts:

04        Detail Of Revenues And Other Sources

05        Detail Of Expenditures And Other Uses

09        Long-Term Debt

10        Limitation of Indebtedness

16        Financial Assistance

19        Labor Relations Consultant(s)

The remaining pages give instructions for preparing each required schedule.

In most cases, the State Auditor's Office has designed forms to use in preparing the required statements and schedules. The use of these particular forms is not required; however, the kinds and amounts of information requested by the forms are prescribed.

**MCAG NUMBERS**

The following pages contain all Library District MCAG identification numbers. Record your number in the upper left-hand corner of the various reports.

**CERTIFICATION/COVER SHEET**

Finally, prepare the cover sheet, sign and date the certification before submitting your report.

## MCAG INDEX

<u>MCAG</u>	<u>LIBRARY DISTRICT</u>
1633	Asotin County Library
2747	Cowlitz County Partial Library
1637	Fort Vancouver Regional Library
0309	Jefferson County Rural Library
1639	King County Library System
1640	Kitsap Regional Library
0454	LaConner Regional Library
0484	Lopez Island Library District
1638	Mid-Columbia Library District
1634	North Central Regional Library
1636	North Olympic Library System
0611	Orcas Island Library District
0330	Pend Oreille County Library District
1641	Pierce County Library System
0485	San Juan Island Library District
1642	Sno-Isle Regional Library
1643	Spokane County Library District
1179	Stevens County Rural Library District
1644	Timberland Regional Library
1645	Walla Walla County Rural Library District
1646	Whatcom County Rural Library District
1647	Whitman County Library
1648	Yakima Valley Regional Library

# ANNUAL REPORT

\_\_\_\_\_  
(Name of District)

\_\_\_\_\_  
MCAG No.

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED \_\_\_\_\_ 20\_\_\_\_

Certified correct this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

to the best of my knowledge and belief:

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

PREPARED BY \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

FAX NUMBER \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

HOME PAGE ADDRESS \_\_\_\_\_

**THIS PAGE LEFT BLANK INTENTIONALLY.**

<u>EFF DATE</u>	<u>SUPERSEDES</u>
3/22/01	None

LIBRARY DISTRICTS

<u>PT</u>	<u>CH</u>	<u>PAGE</u>
3	2	4

**Part 3.        Reporting**  
**Chapter 2.   Financial Statements and Schedules**

**STATEMENT C-4 - FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS - DETAILED**

Library districts that prepare financial statements in conformity with GAAP may submit their general-purpose financial statements instead of the C-4.

Statement C-4 should be prepared for the General (Current Expense) Fund and any other funds with \$250,000 or more in revenues (except agency funds).

- To prepare, enter the beginning amount of net cash and investments. Then summarize both Schedules 04 and 05 by BASIC code:
  - Revenue account (310, 320, etc.)
  - Other financing sources (390)
  - Current expenditures accounts (570, 580)
  - Debt service (591-593)
  - Capital expenditures (596)
  - Other financing uses (597-599)
  - Nonrevenues (380 excluding investment activity account 384), and
  - Nonexpenditures (580 excluding investment activity account 584),

and put them on the appropriate lines of Statement C-4. Foot the statement to calculate ending net cash and investments.

- Beginning and ending net cash and investments on Statement C-4 should equal the *Beginning Net Cash And Investments* on Schedule 04 and *Ending Net Cash And Investments* on Schedule 05.

**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS****For The Year Ended December 31, 2000**

BARS Code	Description	Current Expense - 001	Capital Project - 301
		Actual Amount	Actual Amount
308	Beginning Net Cash and Investment	\$675,283	\$924,687
Revenues and Other Sources			
310	Taxes	341,281	0
330	Intergovernmental Revenues	6,000	400,000
340	Charges for Goods and Services	7,517	0
350	Fines and Forfeits	3,565	0
360	Miscellaneous	270,658	108,895
390	Other Financing Sources	1,000	330,000
Total Revenues and Other Sources		630,021	838,895
Total Resources		1,305,304	1,763,582
Operating Expenditures			
572	Library Services	577,283	0
Total Operating Expenditures		577,283	0
596	Capital Expenditures	0	1,062,457
Total Expenditures		577,283	1,062,457
597-599	Other Financing Uses	0	0
Total Expenditures and Other Uses		577,283	1,062,457
Excess (Deficit) of Resources Over Uses		728,021	701,125
380	Nonrevenues (Except 384)	53,000	0
580	Nonexpenditures (Except 584)	0	53,000
Ending Net Cash and Investments		\$781,021	\$648,125

*The Accompanying Notes Are An Integral Part Of This Statement.*

MCAG NO \_\_\_\_\_

(DISTRICT NAME)

Statement C - 4

Page \_\_\_ of \_\_\_

**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS****For The Year Ended December 31, \_\_\_\_\_**

BARS Code	Description	Fund Number and Name	Fund Number and Name
		Actual Amount	Actual Amount
308	Beginning Net Cash and Investment		
Revenues and Other Sources			
310	Taxes		
330	Intergovernmental Revenues		
340	Charges for Goods and Services		
350	Fines and Forfeits		
360	Miscellaneous		
390	Other Financing Sources		
Total Revenues and Other Sources			
Total Resources			
Operating Expenditures			
572	Library Services		
Total Operating Expenditures			
591- 593	Debt Service		
596	Capital Expenditures		
Total Expenditures			
597- 599	Other Financing Uses		
Total Expenditures and Other Uses			
Excess (Deficit) of Resources Over Uses			
380	Nonrevenues (Except 384)		
580	Nonexpenditures (Except 584)		
Ending Net Cash and Investments			

*The Accompanying Notes Are An Integral Part Of This Statement.*

EFF DATE    SUPERSEDES  
 3/22/01        None

LIBRARY DISTRICTS

PT   CH   PAGE  
 3     2     3



**STATEMENT C-5: FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS - SUMMARIZED:**

Library districts that prepare financial statements in conformity with GAAP may submit their general-purpose financial statements instead of the C-5.

Statement C-5 should be prepared for all funds excluding funds reported on a Statement C-4 and agency funds. Prepare by the fund type (e.g., special revenue, debt service, etc.).

To prepare, enter beginning net cash and investment. Then enter total revenues and other financing sources (310-360 and 390) per Schedule 04 and total expenditures and other uses (510, 570 and 591-599) per Schedule 05 on the proper lines of Statement C-5. In addition, nonrevenues and nonexpenditures (380s and 580s) (excluding investment activity - accounts 384 and 584) should be included on the appropriate lines of Statement C-5. Then foot the statement to calculate ending net cash and investments.

Beginning and ending net cash and investments on Statement C-5 should equal the *Beginning Net Cash And Investments* on Schedule 04 and *Ending Net Cash And Investment* on Schedule 05.

**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS****For The Year Ended December 31, 2000**

<b>Fund Type: Debt Service Funds</b>	<b>Fund Number and Name</b>	<b>Fund Number and Name</b>
	201 Debt Service	
	<b>Actual Amount</b>	<b>Actual Amount</b>
Beginning Net Cash and Investment	\$154,532	
Revenues and Other Financing Sources	87,657	
Total Resources	242,189	
Expenditures and Other Financing Uses	99,456	
Excess (Deficit) of Resources Over Uses	142,733	
Nonrevenues (Except 384)	0	
Nonexpenditures (Except 584)	0	
Net Ending Cash and Investment	\$142,733	

*The Accompanying Notes Are An Integral Part Of This Statement.*

MCAG NO. \_\_\_\_\_

(DISTRICT NAME)

Statement C - 5  
Page \_\_\_\_ of \_\_\_\_**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For The Year Ended December 31, \_\_\_\_\_

Fund Type:	Fund Number and Name	Fund Number and Name
	Actual Amount	Actual Amount
Beginning Net Cash and Investment		
Revenues and Other Financing Sources		
Total Resources		
Expenditures and Other Financing Uses		
Excess (Deficit) of Resources Over Uses		
Nonrevenues (Except 384)		
Nonexpenditures (Except 584)		
Net Ending Cash and Investment		

Fund Type:	Fund Number and Name	Fund Number and Name
	Actual Amount	Actual Amount
Beginning Net Cash and Investment		
Revenues and Other Financing Sources		
Total Resources		
Expenditures and Other Financing Uses		
Excess (Deficit) of Resources Over Uses		
Nonrevenues (Except 384)		
Nonexpenditures (Except 584)		
Net Ending Cash and Investment		

*The Accompanying Notes Are An Integral Part Of This Statement.*

## **SCHEDULE 04 - DETAIL OF REVENUES AND OTHER SOURCES**

Prepare Schedule 04 for each fund.

All accounts must be reported at the subelement level and the 330 series (Intergovernmental Revenue) must be further detailed to the subobject level.

*Beginning Net Cash and Investments*, or *Beginning Fund Balance* (account 308) should equal prior year *Ending Net Cash and Investments*, or *Ending Fund Balance* (account 508).

Totals should be calculated and clearly identified for each Basic revenue account (i.e., 310, 320, 330, etc.).

List all intergovernmental revenues. Expenditures associated with appropriate intergovernmental revenues (federal awards and state/ and local financial assistance) should be reported on Schedule 16.

If there is only one line within the Basic number, use this as your total line. You do not have to include a separate total line. Just make sure that this amount will be included in the total.

This line is optional.

List all interfund loan receipts (account 381). Include in the description column the name of the fund loaning/repaying the money. The amount in this line should equal to the corresponding 581, Interfund Loan Payment or Repayment in the loaning/repaying fund. Provide a summary of interfund loan activity in the Notes to Financial Statements.

List all nonrevenues except 384, *Proceeds from Sales of Investments*. This account is a reclassification between cash and investments, and both categories are already included in account 308, *Beginning Net Cash and Investments*, or *Beginning Fund Balance*. Listing the account 384 here would cause double-counting. The amount may be listed as a separate line at the end of schedule after grand total.

List all bond proceeds. These amounts should equal to the *Amount Issued - Current Period* column on Schedule 09. The following accounts should have required information:

- 391 Proceeds of Long-Term Debt
- 393 Proceeds of Refunding Long-Term Debt

*Total Resources* should include:

- 308 Beginning Net Cash and Investments, or Beginning Fund Balance
- 310-360 Revenues
- 380 Nonrevenues (except 384), and
- 390 Other Financing Sources.

To verify correctness of this schedule, compare total resources with the amount of all 500 accounts on Schedule 05. Both amounts must be equal.

The schedule may be submitted on a computer printout, a diskette (3 ½), or in handwritten form (please print). In either format, the schedule should include MCAG number (four digits), BARS account number, and actual amounts received.

MCAG NO. XXXXPERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)Schedule 04  
Page 1 of 2CURRENT EXPENSE – 001  
(Fund Name and Number)**DETAIL OF REVENUES AND OTHER SOURCES****For The Year Ended December 31, 2000**

Account No.	Description	Actual Amount
308.00	Beginning Net Cash And Investments, or Beginning Fund Balance	\$675,283
311.10	Real and Personal Property Taxes	333,976
311.30	Sale of Tax Title Property	5,301
311.60	Deferred Property Taxes	2,004
310.00	TOTAL TAXES	341,281
332.15.23	Payment In-Lieu of Taxes-Bureau of Land Mgmt	1,000
338.72.05	Library Services Rendered for a City	5,000
330.00	TOTAL INTERGOVERNMENTAL REVENUES	6,000
347.21	Non-Resident Borrower Fee	5,620
347.90	Other Culture and Recreation Fees and Charges	1,897
340.00	CHARGES FOR GOODS AND SERVICES	7,517
359.70	Library Fines	3,565
350.00	TOTAL FINES AND FORFEITS	
361.11	Investment Interest	265,798
362.10	Equipment and Vehicle Rentals – Short Term	2,860
367.00	Contributions and Donations from Private Individuals	2,000
360.00	TOTAL MISCELLANEOUS REVENUES	270,658
310 - 360	TOTAL REVENUES	629,021

EFF DATE 3/22/01 SUPERSEDES NoneLIBRARY DISTRICTSPT 3 CH 2 PAGE 10

MCAG NO. XXXX

PERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)

Schedule 04  
Page 2 of 2

CURRENT EXPENSE – 001  
(Fund Name and Number)

**DETAIL OF REVENUES AND OTHER SOURCES**

**For The Year Ended December 31, 2000**

381.20	Loan Repayment Received – Capital Projects Fund 301	50,000
388.80	Prior Year Correction	3,000
380.00	TOTAL NONREVENUES	53,000
395.10	Proceeds from Sales of Fixed Assets	1,000
390.00	TOTAL OTHER FINANCING SOURCES	1,000
	TOTAL RESOURCES	\$1,358,304
384.00	Proceeds from Sales of Investments	500,000

EFF DATE    SUPERSEDES  
3/22/01       None

LIBRARY DISTRICTS

PT   CH   PAGE  
3      2      11

MCAG NO. XXXX

PERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)

Schedule 04  
Page 1 of 1

DEBT SERVICE – 201  
(Fund Name and Number)

**DETAIL OF REVENUES AND OTHER SOURCES**

**For The Year Ended December 31, 2000**

Account No.	Description	Actual Amount
308.00	Beginning Net Cash And Investments, or Beginning Fund Balance	\$154,532
311.10	Real and Personal Property Taxes	63,894
361.11	Investment Interest	23,763
310 - 360	TOTAL REVENUES	87,657
	TOTAL RESOURCES	\$242,189
384.00	Proceeds from Sales of Investments	150,000

MCAG NO. XXXXPERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)Schedule 04  
Page 1 of 1CAPITAL PROJECT – 301  
(Fund Name and Number)**DETAIL OF REVENUES AND OTHER SOURCES****For The Year Ended December 31, 2000**

Account No.	Description	Actual Amount
308.00	Beginning Net Cash And Investments, or Beginning Fund Balance	\$924,687
333.45.30	LSTA Grant-Indirect Federal	400,000
330.00	TOTAL INTERGOVERNMENTAL REVENUES	400,000
361.11	Investment Interest	63,895
367.00	Contributions and Donations from Private Individuals	45,000
360.00	TOTAL MISCELLANEOUS REVENUES	108,895
310 - 360	TOTAL REVENUES	508,895
391.10	General Obligation Bond Proceeds	330,000
390.00	TOTAL OTHER FINANCING SOURCES	330,000
	TOTAL RESOURCES	\$1,763,582
384.00	Proceeds from Sales of Investments	750,000

EFF DATE    SUPERSEDES  
3/22/01       NoneLIBRARY DISTRICTSPT   CH   PAGE  
3     2     13



MCAG NO. \_\_\_\_\_ (DISTRICT NAME)

**(DISTRICT NAME)**

**Schedule 04**  
**Page \_\_\_\_ of \_\_\_\_**

**(Fund Name and Number)**

## DETAIL OF REVENUES AND OTHER SOURCES

**For The Year Ended December 31, \_\_\_\_\_**

[illegible]

## **SCHEDULE 05 - DETAIL OF EXPENDITURES AND OTHER USES**

Prepare Schedule 05 for each fund.

All accounts must be reported by Basub, element, subelement (if applicable), and object level, not subobject. List expenditures in numerical order according to BARS codes.

**Note: For consistent BARS reporting, purchases of collection materials (books, etc.) are to be reported under 572.20 Library Services (object .30 Supplies), not under 596.72 Capital Expenditures (object .60 Capital Outlays). This BARS reporting requirement applies to all districts.**

A subtotal should be calculated and clearly identified for each Basic expenditure account (i.e., 510, 520, etc.). If there is only one line within the Basic number, use this as your total line.

List all interfund loan disbursements (account 581). Include in the description column the name of the fund with the corresponding 381, interfund loan receipts and provide a summary of interfund loan activity in the Notes to Financial Statements.

List all nonexpenditures, except account 584, *Purchase of Investments*. This account is a reclassification between cash and investments, and both categories are already included in the account 508, *Ending Net Cash and Investments*, or *Ending Fund Balance*. Listing the account 584 here would cause double-counting.

List all principal payments of long-term debt (account 591) *Redemption of Long-Term Debt*. These payments should equal the amounts listed in the *Amount Redeemed This Period* column on Schedule 09. Also include capital lease payments.

Total Expenditures and Other Financing Uses should include:

- 572 Expenditures
- 580 Nonexpenditures (except 584), and
- 590 Other Financing Uses.

Account 508, *Ending Net Cash and Investments*, or *Ending Fund Balance* will be the *Beginning Net Cash and Investments*, or *Beginning Fund Balance* on the next year Schedule 04.

This line is necessary to verify correctness of this schedule. Compare the amount in this line with the amount of all 300 accounts on Schedule 04. Both amounts must equal.

The schedule may be submitted on computer printout, a diskette (3 ½), or in handwritten form (please print). In either format the schedule should include MCAG number (four digits), fund number, BARS account number, and actual amounts expended.

CURRENT EXPENSE – 001  
(Fund Name and Number)**DETAIL OF EXPENDITURES AND OTHER USES**

For The Year Ended December 31, 2000

<b>BARS Account No.</b>	<b>Description</b>	<b>Object Code</b>	<b>Object Description</b>	<b>Actual Amount</b>
572.10	Library Administration	10	Salaries	\$25,456
		20	Benefits	3,123
		30	Supplies	5,384
572.20	Library Services	10	Salaries	295,240
		20	Benefits	35,230
		30	Supplies	156,043
		50	Intergovernme ntal	21,895
572.40	Staff Development	10	Salaries	10,702
		20	Benefits	2,483
		40	Services	5,000
572.50	Facilities	10	Salaries	11,859
		20	Benefits	2,743
		30	Supplies	2,125
572.00	TOTAL LIBRARY			577,283
508.00	Ending Net Cash and Investments or Ending Fund Balance			781,021
	TOTAL			\$1,358,304
584.72	Purchase of Investments			600,000

MCAG NO. XXXX

PERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)

Schedule 05  
Page 1 of 1

DEBT SERVICE – 201  
(Fund Name and Number)

**DETAIL OF EXPENDITURES AND OTHER USES**

**For The Year Ended December 31, 2000**

<b>BARS Account No.</b>	<b>Description</b>	<b>Object Code</b>	<b>Object Description</b>	<b>Actual Amount</b>
591.72	Redemption of Long-Term Debt	70	Principal	\$60,000
592.72	Interest Costs	80	Interest	39,456
590	TOTAL OTHER FINANCING USES			99,456
508.00	Ending Net Cash and Investments, or Ending Fund Balance			142,733
	TOTAL			\$242,189
584.72	Purchase of Investments			125,000

EFF DATE    SUPERSEDES  
3/22/01       None

LIBRARY DISTRICTS

PT   CH   PAGE  
3     2     17

MCAG NO. XXXXPERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)Schedule 05  
Page 1 of 1CAPTIAL PROJECT – 301  
(Fund Name and Number)**DETAIL OF EXPENDITURES AND OTHER USES****For The Year Ended December 31, 2000**

<b>BARS Account No.</b>	<b>Description</b>	<b>Object Code</b>	<b>Object Description</b>	<b>Actual Amount</b>
581.10	Loan Repayment Issued – Current Expense Fund			\$50,000
588.80	Prior Year Correction			3,000
580.00	TOTAL NONEXPENDITURES			53,000
596.72	Capital Expenditures	60	Capital Outlay	1,062,457
	TOTAL EXPENDITURES AND FINANCING USES			1,115,457
508.00	Ending Net Cash and Investments or Ending Fund Balance			648,125
	TOTAL			\$1,763,582
584.72	Purchase of Investments			500,000

EFF DATE    SUPERSEDES  
3/22/01       NoneLIBRARY DISTRICTSPT   CH   PAGE  
3     2     18

MCAG NO. \_\_\_\_\_ (DISTRICT NAME)

(DISTRICT NAME)

**Schedule 05**  
**Page \_\_\_\_ of \_\_\_\_**

(Fund Name and Number)

## DETAIL OF EXPENDITURES AND OTHER USES

**For The Year Ended December 31, \_\_\_\_\_**

[illegible]

## **SCHEDULE 09 - LONG-TERM DEBT**

This schedule provides information about the long-term debt of the library district. Library districts have two categories of debt: general debt, and refunded debt. A separate debt schedule should be prepared for each category of your debt. The appropriate category should be indicated at the top of each page.

Any debt category may contain numerous kinds of debt instruments. For example, general debt is not limited to general obligation bonds but can also contain bond anticipation notes, claims and judgments, installment sales contracts, lease purchase agreements, etc.

This schedule may be submitted as a computer printout, so long as the required information is provided.

NOTE: For Schedule 09, list all bonded debt at par. Include principal only on all debt. Do not include any interfund debt, liabilities for deferred compensation, employee leave benefits or any short-term debt (less than one year). Generally, construction contracts are not considered debt except to the extent the contractor has performed.

DATE OF ORIGINAL ISSUE/DATE OF MATURITY These columns are self-explanatory.

BEGINNING OUTSTANDING DEBT This column should include total amount of debt that was owed at the beginning of this period. The amount shown should equal the last year ending balance. If there is a discrepancy, please attach an explanation.

AMOUNT ISSUED IN CURRENT YEAR In this column report the entire amount of any new debt or any additional debt issued (or borrowed) during the current period. For example, assume a G.O. bond authorized in the previous year at \$5,000,000, with \$4,000,000 issued that year and an additional \$500,000 issued in the report year. Under these circumstances, this column should show \$500,000.

AMOUNT REDEEMED IN CURRENT YEAR In this column, report the amount of debt that was paid this period. Do NOT include interest paid on the redeemed debt. The total amount in this column should equal long-term payments shown on Schedule 05 (Object code 70).

BARS CODE FOR REDEMPTION/REDEEMING FUND NUMBER Include BARS codes used for posting of the redemption of the debt. Also provide fund number in which the redemption occurred. You may use more than one line if the redemption of the debt was split among several funds.

ENDING OUTSTANDING DEBT In this column, report the amount of debt that is owed at the end of this period.

Ending outstanding debt (column     ) is calculated by adding the amounts in columns     and     and subtracting redeemed debt in column     .

+   -   =

Total those columns for each debt type.

MCAG NO. XXXX

PERFECT COUNTY LIBRARY DISTRICT  
(DISTRICT NAME)

Schedule **09**  
Page 1 of 1

**SCHEDULE OF LONG-TERM DEBT**

X G.O. Debt  
Refunded Debt

**For The Year Ended December 31, 2000**

Date of Original Issue	Date of Maturity	Beginning Outstanding Debt 01/01/2000 (Ending Outstanding Debt Balance from Prior Year)	Amount Issued in Current Year	Amount Redeemed in Current Year	BARS Code for Redemption	Redeeming Fund Number	Ending Outstanding Debt 12/31/2000 (1)+(2)-(3)
9/99	9/14	\$300,000		\$ 60,000	591.7 2.7 0	201	\$240,000
					599.7 2.7 0		
6/00	6/20	--	330,000		591.7 2.7 0		330,000
					599.7 2.7 0		
TOTAL		\$300,000	\$330,000	\$60,000			\$570,000



MCAG NO. \_\_\_\_\_

\_\_\_\_\_  
(DISTRICT NAME)

Schedule 09  
Page \_\_\_\_ of \_\_\_\_

**SCHEDULE OF LONG-TERM DEBT**

\_\_\_\_ G.O. Debt  
\_\_\_\_ Refunded Debt

**For The Year Ended December 31, \_\_\_\_\_**

Date of Original Issue	Date of Maturity	Beginning Outstanding Debt 01/01/_____ (Ending Outstanding Debt Balance from Prior Year)	Amount Issued in Current Year	Amount Redeemed in Current Year	BARS Code for Redemption	Redeeming Fund Number	Ending Outstanding Debt 12/31/_____ (1)+(2)-(3)
					591.7 2.7 0		
					599.7 2.7 0		
					591.7 2.7 0		
					599.7 2.7 0		
					591.7 2.7 0		
					599.7 2.7 0		
					591.7 2.7 0		
					599.7 2.7 0		

## **SCHEDULE 10 - LIMITATION OF INDEBTEDNESS**

When making this calculation, all general obligations of the district and all applicable cash on hand, or its equivalent, available for the payment of general obligations should be included.

General obligations consist of the following:

1. General Obligation Bonds (Voted and Nonvoted), including bond anticipation notes which are to be paid off with the proceeds of the bonds. Include interest only if it has matured and is due and payable.
2. Deep discount debt (e.g., zero coupon bonds). Report the face amount of the bond less the unamortized portion of the discount.
3. Warrants and registered warrants issued against the unrestricted/general or other tax supported funds.
4. Executory conditional sales or installment sales contracts pledging the full faith and credit of the taxing district. (RCW 39.30.010)
5. Accounts payable, final judgements payable or combined obligations of the unrestricted/general or other tax supported funds.
6. Compensated absences (e.g., vacation and sick leave), to the extent that they are certain obligations of a determined amount, or employee vested.
7. Other obligations of the unrestricted/general or other tax supported funds, except for loan agreements with agencies of the state of Washington or the U.S.A. dated on or after April 3, 1987. (RCW 39.36.060 and 39.69.020)
8. Obligations of internal service funds that provide services to the general or other tax supported funds.
9. Municipal leases (RCW 35.42.200)

The following obligations do not constitute debt for debt limitation purposes:

1. Contingent liabilities;
2. Obligations payable from special funds and solely from unanticipated service revenue;
3. Accrued interest that has not matured;
4. Refunded or revenue debt; and
5. Interfund loans.

Applicable cash or its equivalent, as used herein, should consist of and be limited to the following:

1. Cash and investments on hand in special debt redemption funds reserved exclusively for use in repaying outstanding general obligations.
2. Uncollected ad valorem taxes levied expressly for the purpose of paying general bonded indebtedness.
3. Cash and investments on hand in other than special debt redemption funds; uncollected ad valorem taxes levied for other than special debt redemption funds, and accounts receivable due from other funds of the same taxing district not supported by taxation or from other governmental units, the payment of which has been officially authorized: Provided, that such cash assets may only be considered as offsets against outstanding warrants and other current obligations of the same funds.

Do not include cash or investments that will be used to make interest payments during the initial months of the subsequent fiscal year prior to property tax collections. Also, do not include uncollected taxes from prior years except taxes specifically levied for debt redemption.

#### LEGAL LIMITS OF INDEBTEDNESS – LIBRARY DISTRICTS (RCW 39.36.020)

1. Indebtedness For General Purposes Without A Vote Of The People.

LEGAL LIMIT @ 3/8 of 1% on the value of taxable property within the district.

2. Indebtedness For General Purposes With A 3/5 Vote Of The People.

LEGAL LIMIT @ 1¼% on the value of taxable property within the district.

The value of taxable property is the actual value of taxable property in the district, ascertained by the last assessment.

The last assessed valuation is the valuation placed on the last completed and balanced tax rolls of the county preceding the date of contracting the debt or incurring liability (RCW 39.36.010 and .015). By the time this schedule is prepared, assessed valuation data has been updated for next year's tax levy. The most current assessed value available should be used.

#### NOTES TO PREPARER

1. The total indebtedness for general purposes with or without a vote cannot exceed 1¼% of the value of taxable property.
2. The 3/8 of 1% of indebtedness available without a vote is valid only if the amount of indebtedness with a vote is 7/8 of 1% or less. Any indebtedness with a vote in excess of 7/8 of 1% will proportionately reduce the margin available without a vote.
3. When calculating indebtedness include all applicable assets and liabilities.
4. If assets equal or exceed liabilities, record zero for indebtedness incurred.

MCAG NO. \_\_\_\_\_  
(DISTRICT NAME)

Schedule 10

**SCHEDULE OF LIMITATION OF INDEBTEDNESS**

**For The Year Ended December 31, \_\_\_\_\_**

Total Taxable Property Value \$ \_\_\_\_\_

**I. Indebtedness For General Purposes Without A Vote**

Legal Limit .375% Of Taxable Property Value \$ \_\_\_\_\_

Indebtedness (Liabilities)

GO Bonds \$ \_\_\_\_\_

Others \$ \_\_\_\_\_

Less Assets Available \$ \_\_\_\_\_

Indebtedness Incurred – Section I \$ \_\_\_\_\_

Indebtedness Margin Before Excess \$ \_\_\_\_\_

Indebtedness Incurred From Section II In Excess of .875%  
Of Taxable Property Value \$ \_\_\_\_\_

Margin Of Indebtedness Available Without A Vote \$ \_\_\_\_\_

**II. Indebtedness For General Purposes With 3/5 Vote**

Legal Limit 1.25% Of Taxable Property Value \$ \_\_\_\_\_

Indebtedness (Liabilities)

GO Bonds \$ \_\_\_\_\_

Others \$ \_\_\_\_\_

Less Assets Available \$ \_\_\_\_\_

Indebtedness Incurred – Section II \$ \_\_\_\_\_

Margin Of Indebtedness Available With 3/5 Vote \$ \_\_\_\_\_

Total Indebtedness Allowable (Legal Limit 1.25%) \$ \_\_\_\_\_

Less: Indebtedness Incurred – Section I \$ \_\_\_\_\_

Less: Indebtedness Incurred – Section II \$ \_\_\_\_\_

MARGIN OF INDEBTEDNESS AVAILABLE \$ \_\_\_\_\_

## **SCHEDULE 16 - EXPENDITURES OF FEDERAL AWARDS AND STATE/LOCAL FINANCIAL ASSISTANCE**

The Schedule of Financial Assistance is an essential document for planning and conducting the audit of the district. It also serves to provide assurance to those agencies which award financial assistance that their programs or grants were included in the audit. It is important to prepare this schedule carefully to ensure that it is accurate and complete. Any program or grant omitted from this schedule will be considered unaudited. This schedule should be prepared on the same basis of accounting as the financial statements.

Schedule 16 is comprised of two schedules: (1) Schedule of Expenditures of Federal Awards and (2) Schedule of State and Local Financial Assistance.

### **Schedule of State and Local Financial Assistance**

List on this schedule grants received directly or indirectly from state agencies (334), grants from other local governments (337), and program income.

List separately awards received from state and local governments. Provide a subtotal for both categories and a total for the entire schedule. In addition, list all financial assistance received from the same state agency together.

### **Schedule of Expenditures of Federal Awards**

Include on this schedule all expenditures of federal awards that were received directly from a federal agency and indirectly through a state agency or local government. This schedule should be prepared for the year in which federal awards are expended. Preparation of this schedule should not be based on the date(s) that funds are received (e.g., advances or reimbursement). "Federal awards expended" include the following:

- Expenditure transactions associated with grants, cost-reimbursement contracts, cooperative agreements, and direct appropriations;
- Disbursement of funds passed through to subrecipients;
- Receipt of loan proceeds under loan and loan guarantee programs;
- Receipt of federal property and surplus property;
- Receipt or use of program income (see revolving loan exception below);
- Distribution or consumption of food commodities;
- Disbursement of amounts entitling a non-federal entity to an interest subsidy; and
- Insurance contracts in force during the period under audit.

List all financial assistance from the same federal agency together on the schedule. Next, within each federal agency section, list all direct awards first followed by indirect awards.

Provide subtotals for programs with the same Catalog of Federal Domestic Assistance (CFDA) number. Also provide subtotals for assistance received directly and assistance received indirectly. Provide a total for each federal agency.

### Valuation of Federal Loans and Noncash Assistance

Use the following guidelines to calculate the value of “federal awards expended” under loan programs:

- (1) Amount of new loans received during the fiscal year, plus
- (2) Balance of loans from previous years for which the federal government imposes continuing compliance requirements, plus
- (3) Any interest subsidy, cash, or administrative cost allowance received.

Note: Loans, the proceeds of which were received and expended in prior years, are not considered federal awards expended when the laws, regulations, and the provisions of contracts or grant agreements pertaining to such loans impose no continuing compliance requirements other than to repay the loans.

Noncash Assistance: Food Stamps, food commodities, donated property, and donated surplus property should be valued at fair market value at the time of receipt or the assessed value provided by the federal agency. The Notes to the Schedule of Financial Assistance should disclose the nature of the amounts reported.

Revolving Loans: According to the federal regulations, repayments of principal and interest are considered program income (revenues) and loans of such funds to eligible recipients are considered expenditures. For purposes of Schedule 16, report only the amount of loan funds expended during the year.

### Other preparation hints for both schedules

Often federal financial assistance received indirectly is a mix of federal and state or local money. If possible, identify the different sources and list them on appropriate schedules (i.e., the federal share on the *Schedule of Expenditures of Federal Awards* and the state or local portion on the *Schedule of State and Local Financial Assistance*). If the state or local portion cannot be identified, list the entire amount on the *Schedule of Expenditures of Federal Awards* and describe the commingled nature of the funds in the *Notes to the Schedule of Expenditures of Federal Awards*.

Records must agree or reconcile to all supporting documents.

## **SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

- Column 1      Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between federal agencies and state agencies with similar names or initials. If you receive federal funds indirectly, identify the state pass-through agency. Identify noncash awards in this column also.
- Column 2      List the applicable CFDA number for each program. This is a five digit (XX.XXX) identification number assigned by the federal government and published in the Catalog of Federal Domestic Assistance. This number must be provided for all federal awards received either directly from a federal agency or indirectly through a state agency or local government.
- Every effort should be made to obtain CFDA numbers. If the number is not provided on the award agreement or contract, contact the granting agency and request the number.
- If you are unable to obtain the CFDA number, write “unknown.”
- Column 3      Use this column to report contract or grant numbers assigned by federal or state agencies, in addition to the CFDA number. If a number is not available, write “N/A.”
- Column 4      Use this column to report current year expenditures (determined on the same basis of accounting as the financial statements). See requirements for valuing loans and noncash assistance above.

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

At minimum, the notes to Schedule 16 should disclose the basis of accounting and any other significant accounting policies used in preparing the schedule. Also provide any information that may be useful to the reader such as the nature of a revolving loan program or the method used to value commodities or other non-cash assistance.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****For The Year Ended December 31, 2000**

1	2	3	4
Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Other Identification Number	Current Year Expenditures
Institute of Museum and Library Services (IMLS) Pass Through Award From State Library:			
Library Services Technology Act	45.310	120-250-610	395,000
<u>Total IMLS</u>			395,000
TOTAL FEDERAL AWARDS EXPENDED			395,000

*The Accompanying Notes To The Schedule Of State and Local Financial Assistance Are An Integral Part Of This Schedule.*

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****NOTES 1 – BASIS OF ACCOUNTING**

This schedule is prepared on the same basis of accounting as the District's financial statements. The District uses the (cash) (modified accrual) basis of accounting.

**NOTE 2 – PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the District's portion, may be more than shown.



(DISTRICT NAME)

(DISTRICT NAME)

**For The Year Ended December 31, \_\_\_\_\_**

*The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.*

**SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE**

- Column 1      Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between agencies with similar names or initials.
- Column 2      Use this column to report grant, contract or award numbers assigned by state or local agencies. If a number is not available, write "N/A."
- Column 3      Use this column to report current year expenditures (determined on the same basis of accounting as the financial statements).

## Schedule 16

**For The Year Ended December 31, \_\_\_\_\_**

[illegible]

<u>EFF DATE</u>	<u>SUPERSEDES</u>
3/22/01	None

<u>PT</u>	<u>CH</u>	<u>PAGE</u>
3	2	32

## **SCHEDULE 19 - LABOR RELATIONS CONSULTANT(S)**

The 1993 Legislature has required the State Auditor's Office to collect information regarding the role labor relations consultants play in local governments. This reporting requirement is found in RCW 43.09.230, as amended by the 1993 Legislature. The statute provides that "the legislature finds and declares that the use of outside consultants is an increasing element in public sector labor relations. The public has a right to be kept informed about the role of outside consultants in public sector labor relations. The purpose of this act is to help ensure that public information is available."

*Labor relations* is a broad spectrum of activities which concern the relationship of employees as a group with the local government as employer. It includes employee representation issues, negotiation of contracts, and preparation and conduct of interest arbitrations.

A *labor relations consultant* is someone who agrees to perform such services for compensation. For example, a labor relations consultant includes an attorney or other professional engaged by the local government to negotiate a collective bargaining agreement. It would not include a firm engaged to establish a personnel manual or to prescreen job applicants. The determining factor is the substance of services the consultant has been engaged to perform.

This schedule is used to identify expenditures for labor relations consultants. Disclosure should include identification of each consultant and the terms and conditions of each agreement.

The schedule is required to be filed with the State Auditor's Office whether or not the district has labor relations consultants. Prepare a schedule for each consultant. Alternative formats are acceptable, including spreadsheets, as long as the required information is provided.

MCAG NO. \_\_\_\_\_

\_\_\_\_\_  
(DISTRICT NAME)

Schedule 19

**SCHEDULE OF LABOR RELATIONS CONSULTANT(S)**

**For the Year Ended** \_\_\_\_\_

Has your government engaged labor relations consultants? \_\_\_\_ Yes \_\_\_\_ No

If yes, please provide the following information for each consultant:

Name of Firm
Name of Consultant
Business Address
Amount Paid to Consultant During Fiscal Year
Terms and Conditions, as Applicable, Including:  Rates (e.g., hourly, etc.) _____  Maximum Compensation Allowed _____  Duration of Services _____  Services Provided _____ _____ _____

Certified Correct this _____ day of _____, _____ to the best of my knowledge and belief:
Signature
Name
Title

**Part 3.        Reporting**  
**Chapter 3.   Notes to Financial Statements**

The notes that follow are designed to illustrate the minimum disclosures required for single-entry, cash-basis library districts and are not in compliance with the requirements of generally acceptable accounting principles (GAAP). If your district reports on a GAAP basis, refer to BARS Category 1 for Cities and Counties and Other Local Governments for guidance.

**DELETE NOTES THAT DO NOT APPLY AND ADD OTHERS THAT ARE NEEDED TO HELP A READER UNDERSTAND THE DISTRICT'S FINANCIAL STATEMENTS.**

## **NOTE 1 - SUMMARY OF ACCOUNTING POLICIES**

The (name of the district) is a special purpose government that provides library services to the general public and is supported primarily through property taxes. The District was incorporated on (date) and operates under Chapter 27.12 RCW, the laws of the state of Washington applicable to a library district.

### **a. Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The District's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the District:

#### **GOVERNMENTAL FUND TYPES: <sup>1</sup>**

##### **General (Current Expense) Fund**

This fund is the primary operating fund of the District. It accounts for all financial resources except those required or elected to be accounted for in another fund.

##### **Debt Service Funds**

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

##### **Capital Projects Funds**

These funds account for financial resources that are designated for the acquisition or construction of general government capital projects.

#### **FIDUCIARY FUND TYPES: <sup>1</sup>**

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others.

##### **Expendable Trust Funds**

These funds account for assets where both principal and interest may be spent.

##### **Nonexpendable Trust Funds**

These funds account for assets of which the principal can not be spent.

##### **Agency Funds**

These funds are used to account assets that District holds for others in an agency capacity.

---

<sup>1</sup> Eliminate labels and descriptions of any funds that your district does not use.

**b. Basis of Accounting**

The accounting records of the District are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The Library District uses the *Budgeting, Accounting and Reporting System for Libraries in the state of Washington*.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid.

Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory, including collection materials, is expensed when purchased.

**c. Cash**

It is the District's policy to invest all temporary cash surpluses. The amount is included on the statement of resources and uses arising from cash transactions as net cash and investments.

**d. Deposits**

The District's deposits (and certificates of deposit) are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

**e. Collection Materials**

Collection materials (books, magazines, videos, audios, etc.) are recorded as operating expenditures when purchased.

**f. Fixed Assets**

Fixed assets are long-lived assets of the District and are recorded as capital expenditures when purchased.

**g. Compensated Absences<sup>2</sup>**

Vacation pay may be accumulated up to \_\_\_\_ days and is payable upon separation or retirement.

Sick leave may accumulate (indefinitely or up to \_\_\_\_ hours). Upon separation or retirement employees (do) (do not) receive payment for unused sick leave.

---

2 Disclose your policy for sick leave termination benefits and your liability, if applicable. For example:  
(Sick leave can only be used for paid time off for the illness of the employee or a dependent. Upon resignation/termination, retirement or death, any outstanding sick leave is lost.)  
(If an employee terminates with at least ten years of service, he or she will be paid in cash for sick leave balances up to 30 days, at one-quarter his or her final pay rate. The District's estimated liability for sick leave termination benefits on December 31, \_\_\_\_\_ was \$\_\_\_\_\_.)



## **NOTE 2 – INVESTMENTS**

The (district's name) investments are held by the (county name) as its agent in the District's name. Investments by type at December 31, \_\_\_\_\_ were as follows:

<u>Type of Investment</u>	<u>Balance</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ _____

## **NOTE 3 - LONG-TERM DEBT**

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the district and summarizes the district's debt transactions for year 20\_\_\_\_. The debt service requirements, including interest, are as follows:

	<u>General Obligation Bonds</u>	<u>Other Debt <sup>3</sup></u>	<u>Total Debt</u>
20____	\$ _____	\$ _____	\$ _____
20____			
20____			
20____			
20____			
Thereafter	_____	_____	_____
TOTALS	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

(or)

As of December 31, \_\_\_\_\_, the district had no debt.

---

<sup>3</sup> Type of debt may include Capital Leases, Notes Payable, etc.

#### **NOTE 4 - PENSION PLANS**

Substantially all of the (district's name) full-time and qualifying part-time employees participate in the (list the type(s) of plan(s)) administered by the Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement systems. Actuarial information is on a system-wide basis and is not considered pertinent to the District's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the state Department of Retirement Systems annual financial report. A copy of this report may be obtained at:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia WA 98504-8380

#### **OTHER DISCLOSURES**

Disclose any information that may be important to understand the district's financial statements. (E.g., corrections of material errors in previous year, extraordinary events, commitments, contingencies and litigation, etc.)